

The polls tighten, Peters in the box seat

Pp 2&4

Labour's meteoric rise in last night's TVNZ/Colmar-Brunton poll has come almost exclusively at the expense of the Greens. With both National and Labour launching their formal election campaigns in Auckland this Sunday, it remains to be seen whether Labour can build further or whether the Greens have now bottomed and will claw back. Either way, it's good news for Winston Peters and NZ First.

Odds still favour a National-led govt

Pp 2&3

The path to govt for the Labour Party remains far less clear than it is for National. The range of possible outcomes is complicated by the number of minor parties involved, the likelihood of 'overhang' seats and the potential for wasted votes for the Maori and TOP parties, and possibly even the Greens.

The "Parker Effect"

Page 4

One of Labour's smartest policy innovators, David Parker, has also proven in the past to be one of its greater political liabilities. The potential for complex policy to wither under scrutiny is playing out on Labour's water charging policy. That said, Parker appears to be in the ascendant again under Jacinda Ardern's leadership.

Shattered Greens

Page 2

Green Party leader James Shaw has appeared shell-shocked in both public and private since the resignation of Metiria Turei. The saga, which seemed at first to be playing well for the Greens, has exposed again the deep differences between its voter base and its activist supporters.

TPP-11 - National must see it as good politics

Despite its apparent unpopularity, the govt played up and sought endorsement from business groups for the mandate to negotiate a new TPP agreement without the US. Bill English continues to believe that NZers are broadly supportive of free trade as an engine of economic growth.

That's a wrap – Parliament's last sitting

Page 8

The 51st NZ Parliament rose on Thursday with little fanfare and will be formally dissolved next week ahead of the Sept 23 general election. It must be recalled no later than November. Legislation targeting cartel behaviour, which had languished for six years, was finally passed.

Contact looks to tighter electricity market

Page 6

Contact Energy is treating about half a Terrawatt hour of annual generation as 'discretionary' as it seeks firmer wholesale electricity market conditions in coming months.

It's a horse race

Last night's TVNZ Colmar-Brunton poll shows Labour the primary beneficiary of the collapse of the Green Party vote, but it may also have taken a little from National. Its **13 point rise to a decade high of 37%** compares to an 11 point fall for the Greens, who are now below the 5% MMP party vote threshold and with no lifeline from a winnable electorate seat.

The **Opportunities Party** may have hoped to pick up something from the Greens too, but at a steady 2%, the potential for Gareth Morgan's party to build momentum for a 5% showing and provide an alternative to NZ First as a main coalition partner is **fading** on the basis of this poll.

The fact that Jacinda Ardern and Bill English are polling equally at 30% is hugely significant as it suggests Ardern has the kind of political star power that could carry the party higher. This week's spat with the Aust Govt may even have done her some good, requiring her to deal convincingly with a foreign policy 'crisis'. **NZ First is now well-positioned to dictate terms to both Labour and National and to see off the Greens**, who are likely to recover to 5%-plus but are deeply wounded by recent events.

The **latest poll delivers as finely balanced a Parliament as ever**, with no clear path to power for either party.

Odds still favour a National-led govt

The exact composition of the next govt remains fluid, but as the scenarios on the opposite page suggest, the odds continue to favour a National Party-led govt

unless Labour manages a major boost in support even closer to 40%.

In all scenarios, the most obvious coalition or cross-bench support party is NZ First, a prospect that PM Bill English has described as "toxic" but which National would be obliged to make work if it had no other options. The Opportunities Party continues to represent the best, but outside, chance of providing a solid block of MPs that could edge out NZ First.

Note, however, that even with TOP at 5%, National would have

a far more slender majority than if it teams with NZ First. The Mike Sabin and Todd Barclay affairs both underline how easy it is for a ruling party to lose its majority. National would have to weigh up which it would prefer: a solid majority with NZ First support

but significant constraint in key policy areas, or a freer hand to pursue fourth term policy objectives with the risk that losing a by-election could rob of it of the ability to act.

The range of scenarios – not predictions – presented here is inevitably limited. **Other potential scenarios include:**

- the Green Party falling below the 5% threshold and not returning to Parliament. This seems unlikely, but can't yet be ruled out;
- both the Green and TOP parties 'wasting' as much as 8% of the vote by both failing to meet the 5% threshold and winning no electorate seats. We rate this very unlikely;
- the failure of the Maori Party to hold leader Te Uruora Flavell's seat of Waiariki and winning no other Maori seats and so failing to return to the next Parliament. This appears a moderate possibility.

Where to now for the Greens?

Shattered is the best word to describe the impact of the Metiria Turei affair on the Greens, and on its remaining leader, James Shaw. His downbeat performance in a downbeat location to relaunch the party's election campaign under a slogan recycled since 2014 was telling. Just a few days earlier, he'd Tweeted "we've got momentum, baby" after a poll that showed the initial impact of Turei's personal story of benefit-fiddling had been positive.

And while solidly supporting Turei's actions in public, there is little doubt that he was not comfortable with what Turei did. However, **Shaw is a captive of the Greens' constitution**, which requires that its executive and MPs consult with the membership on a wide range of matters. That is usually done by consulting the **regional executives who tend to be made up of hardline party activists**.

Their unanimous stance is understood to have **sealed the door against any return to the list by Kennedy Graham** once Turei had gone. The problem for the Greens remains that the people who vote for them and who belong to them are very different groups.

A large percentage of their voters are middle class, affluent and skewed towards women. Their core membership is young students and old time environmentalists along with a sizable number of ex-Alliance members. Shaw himself has talked about the difference between the Dunedin membership (Turei's supporters) who have a background in radical student politics and anarchism and the Canterbury membership who come from a more traditional environmental background. Think Forest

Mega-settlement

Almost unnoticed outside the Maori world was this week's Treaty settlement announced with Maniapoto, a King Country/Waikato iwi.

The \$165m settlement is second only to the two largest settlements to date, both struck in the 1990s, between the Crown and the Ngai Tahu and Tainui iwi.

This week's agreement in principle covers some 35,000 iwi members.

POLITICS AND POLICY

Scenario 1: TOP makes 5% party vote threshold, UF wins Ohariu

Outcome: National Party led govt with either NZ First or TOP creating majority

	Party vote %	Seats
National	44	53
Act	0	1
United Future	0	1
Maori	2	2
TOTAL SEATS – centre-right		56
Labour	33	40
Green	7	8
Lab-Green	40	48
NZ First	9	11
TOP	5	6
TOTAL SEATS		122
For majority		62
Lab/Gr/NZF		59
Nat/NZF		64
Nat/TOP		62

Scenario 2: TOP fails to make 5% threshold, UF wins Ohariu

Outcome: either National + NZF (4 seat majority) or Labour + NZF/Greens (1 seat majority)

	Party vote %	Seats
National	44	55
Act	0	1
United Future	0	1
Maori	2	3
TOTAL SEATS – centre-right		60
Labour	33	42
Green	7	9
Lab-Green	40	51
NZ First	9	11
TOP	5	0
TOTAL SEATS		122
For majority		62
Lab/Gr/NZF		62
Nat/NZF		66
Nat/TOP		-

Scenario 3: TOP at 5%, UF loses Ohariu

Outcome: National + NZF (3 seat majority)
Or National + TOP + Maori + Act (2 seat majority)

	Party vote %	Seats
National	44	53
Act	0	1
United Future	0	0
Maori	2	2
TOTAL SEATS – centre-right		56
Labour	33	40
Green	7	8
Lab-Green	40	48
NZ First	9	11
TOP	5	6
TOTAL SEATS		121
For majority		61
Lab/Gr/NZF		59
Nat/NZF		64
Nat/TOP		59 (+3)

Scenario 4: National and Labour poll higher, TOP fails to make 5%, UF wins Ohariu

Outcome: National + NZF (10 seat majority)

	Party vote %	Seats
National	46	57
Act	0	1
United Future	0	1
Maori	2	3
TOTAL SEATS – centre-right		62
Labour	35	44
Green	5	6
Lab-Green	42	51
NZ First	8	10
TOP	4	-
TOTAL SEATS		122
For majority		62
Lab/Gr/NZF		61
Nat/NZF		67
Nat/TOP		-

Continued from p2

& Bird. The same tensions were at least partly behind the resignations of both Russel Norman and Kevin Hague, while Shaw's elevation to co-leader alongside Turei was intended to build a bridge between the disparate factions.

All this adds up to a belief among environmentalists sympathetic to the Greens that they are in danger of heading in the same direction as Internet Mana last election. Shaw is putting a brave face on all the turmoil and believes the party can recover.

But they are now a random card in the election, and if they fall below 5%, then they will tend to advantage National because that will be wasted vote. Labour and TOP are possible homes for disaffected Green voters.

Winston in the box seat

NZ First has held up well in this week's TVNZ Colmar-Brunton poll, just one point down at 10% from last month's poll.

However, now that the contest between National and Labour has evened up, there is not as much room for him to make his voice heard. The party's tactic of constantly issuing press statements in a scatter-gun style on multiple issues is not working. Caucus discipline continues to be a problem. Environment spokesman Denis O'Rourke told last week's EDS conference that NZ First supports the ongoing use of 1080 poison until an alternative is found – a position greatly at odds with adamant opposition expressed by other NZ First MPs.

On current form, the chances of NZ First doing much better than 10% look remote and the party's failure so far to produce a party list suggests there is a tussle ongoing among MPs and wanna-be's who fear too low a placement will see them out of Parliament.

Peters has attracted some high profile new candidates – Mark Patterson in Clutha Southland and Wellington city Councillor Andy Foster. How he accommodates the new blood and who gets shuffled down is an area of potential instability.

The Parker Effect: Labour's water policy tangle

Notable since Jacinda Ardern's elevation to the Labour leadership has been the **regular presence of senior MP David Parker at her side**. Sidelined under Andrew Little, Parker was held partially responsible for Labour going to the polls in 2014 with a range of electorally unattractive policies.

Among those was the Power NZ policy, which

was **unpopular as much because of its complexity as the negative reaction of affected industries**. Masterminded by Parker after he took over the water portfolio from lowly ranked Meka Whaitiri, **Labour's water charging policy has many of the same hallmarks**.

While charging a royalty on bottled water exports is an electoral crowd-pleaser, Labour's proposal to charge a flat rate levy on water taken from lakes and rivers for farming and other commercial uses is sparking opposition with practical and political obstacles that include:

- A slow response to farmer outcry about the scale of the proposed levy. Initial scaremongering suggesting "\$18 cabbages" took hold as Parker allowed media questioning to place a possible half billion dollar price tag on the 5 billion litres of water used annually for irrigation. Only under pressure did he nominate a 2 cents per cumec rate, yielding perhaps \$100m p.a.;
- **Assuming Maori would be on-board with a unilateral announcement** that the charging policy would go hand-in-hand with settlement of Treaty claims to 'rights and interests' in freshwater. Progress in recent times has focused on localised, iwi-by-iwi settlements.
- **Underestimating the PM's grasp of this particular issue**. Bill English has been at the heart of water negotiations with the Iwi Leaders' Forum over the last six years and in the creation of the NPS on freshwater management. Ardern could be very exposed on the issue in **TV debates scheduled for Aug 30, and Sept 4 and 20**. English's experience over Ardern's freshness remains one of National's key weapons;
- Perhaps most perplexing is how the funds raised would be recycled to the regional councils in proportion to irrigation. Irrigation NZ has pointed out that **the most polluted freshwater bodies for swimming are uncorrelated with the largest irrigation takes**. The implication is that funds raised would go to parts of the country that don't need them while failing to fund clean-ups in other areas;
- The decision **not to charge levies on water users drawing from reticulated 'town supply'** will create anomalies that appear likely to hamper the competitiveness of rival firms.

Meanwhile, the **govt's technical advisory group on water allocation, led by David Caygill**, continues to work on models that could include water pricing, although English said this week it "remains to be seen" whether pricing is an inevitable part of any water allocation model. ■

End of the line for macro-prudential interventions?

PM Bill English has ruled out giving the Reserve Bank authority to use a debt-to-income ratio tool as part of a suite of macro prudential tools to prevent housing market stress, saying it should look at removing some of the curbs that are already in place as some of the heat comes out of the market.

For its part, Labour is saying it “never favoured” LVRs, which it saw as a necessary evil because of the govt’s failure to deal with housing under-supply and price inflation. It has not supported DTI ratios either.

Both parties’ stances reflect evidence that Auckland house prices are cooling and, in some parts of the city, falling. While talk of a housing ‘bust’ is overblown in a situation of ongoing under-supply, English’s “captain’s call” to speak out now about the removal of LVRs reflects sensitivity about running into an election with home-owning voters no longer so confident about the ‘wealth effect’ of rising real estate values ahead.

REINZ housing data for July saw house sales ease another 1%, seasonally adjusted, down 24.5% on a year ago. House prices, according to the REINZ SPAR Index, were flat in the month while annual price inflation has now subsided to 1.2% from 2.8% last month and 15.3% a year ago. On the same basis, Auckland annual house price inflation has edged more clearly into the negative with house prices down 2.1% on a year ago, despite edging 0.2% higher in July itself.

Non-Auckland house prices have been flat for the past three months, but still up 7.5% on a year ago. A clear slowdown in the housing market is **likely to see be a drag on durable spending** and may also be showing up in weaker retail sales in areas outside vehicles and accommodation.

Monetary policy

Reserve Bank governor Graeme Wheeler kept the official cash rate at 1.75% with future projections unchanged, in his last monetary policy statement before leaving his post on Sept 25. The decision disappointed some analysts who had been tipping an even later start to a tightening cycle. The RBNZ scaled back its inflation forecasts for the next three quarters by about half a percentage point and lifted its projection for the **TWI**, which it sees holding at 77 or higher through 2017. Firms have dialled back their inflation expectations for the next two years. The RBNZ’s **survey of inflationary expectations** showed respondents see annual inflation at 1.77% in one year, down from 1.92% rate in the prior survey three

months ago. In two years it is seen at 2.09%, down from 2.17%.

For borrowers, wholesale floating rates and short-dated wholesale fixed rates should remain flat through the rest of the year. This suggests little need to protect against higher short term rates. The fall in longer term wholesale rates to the bottom of their range this year provides an **opportunity to hedge** as risks are skewed to the upside for 5-10 year rates over the medium term.

Currency outlook

The balance of influences on the kiwi dollar suggests there’s little to push it higher from here and plenty of downward forces. The positive terms of trade story is well priced, risk appetite can be expected to fall from here, and there is some election risk overhanging the currency for the next five to six weeks, although re-election of a National-led govt is likely to be interpreted as a status quo outcome, even if an parliamentary accommodation with NZ First is viewed as lead in a new govt’s saddlebag.

On top of those factors, NZ monetary policy won’t be a supporting factor and the US dollar looks heavily oversold.

That said, the BNZ’s year-end target for the NZ dollar to go sub US70 cents looks a stretch at this stage, even if a softening towards year-end, against the trend of the past few months, appears most likely.

Economic indicators

Services sector activity fell in July in the face of wet and wintry conditions. The BusinessNZ-BNZ performance of services index (PSI) slipped 2.3 points to 56 in July from June, reaching its lowest level since April.

Manufacturing activity continued to expand in July but dipped slightly compared with June after particularly dismal winter weather. The **BusinessNZ-BNZ performance of manufacturing index (PMI)** fell 0.6 points to a seasonally adjusted 55.4 in July, extending its run of expansionary readings above 50 in every month since Oct 2012.

Retail sales rose in the second quarter, led by the food and beverage sector, on increased consumer spending during the World Masters Games and the Lions rugby tour. The volume of sales gained 2% following a 1.6% rise in the March quarter.

However, **51% of retailers have reported in Retail NZ’s quarterly survey that they didn’t meet their sales targets in the last quarter**, although strong growth was recorded in the accommodation, liquor and motor vehicle segments. ■

CORPORATE ROUND-UP

Construction and infrastructure

Fletcher Building chair Ralph Norris says the board will seek a director with construction sector experience but any changes at board level would be by normal rotation at the AGM in Oct. The comments came with the annual results, which confirmed full-year operating earnings fell to \$525m from \$682m in 2016. Norris attributed the dumping of ceo Mark Adamson to an abusive email he sent to the construction division which includes the B+I unit that incurred losses on major projects. Group sales rose 4% to \$9.4b.

Primary sector

Sheep numbers reduced to an estimated 27.3m as at June 30 from 27.6m a year earlier, according to **Beef + Lamb**. The 0.9% decline compares with last year's 5.3% drop, and marks the fifth consecutive fall since 2012, when sheep numbers rose 0.4%.

Fewer farms were sold in the three months through July as difficult winter conditions dented activity, although prices lifted due to improved farmer confidence. **REINZ** says 392 farms were sold in the three months ended July, down from 468 farm sales for the same period a year earlier. The median price per hectare increased 2.5% to \$27,158.

Synlait Milk will triple its infant formula supply with **Sichuan-based New Hope Nutritionals** over the next five years under a new arrangement that will see New Hope apply to register its Akara and e-Akara brands with the China Food and Drug Administration.

The **Commerce Commission** wants **Fonterra** to provide more information about sales outside the GlobalDairyTrade platform. The regulator said Fonterra's 2017 farmgate price of \$6.15/kgMS was "consistent with both the efficiency and contestability purposes" of the **Dairy Industry Restructuring Act** although it has sought technical advice on its weighted average cost of capital. The commission said Fonterra needed to provide more transparency on how it sets prices for reference products outside the GDT platform.

CropLogic, the agricultural technology company which counts **Powerhouse Ventures** and the NZ Venture Investment Fund as shareholders, says its A\$8m IPO offering was fully subscribed and it is now set to list on the ASX.

PGG Wrightson posted a 5.7% gain in full-year profit to \$46.3m, meeting its guidance, as the rural services company benefitted from lower interest costs, offsetting stalled growth in revenue. Sales fell to \$1.13b from \$1.18b.

Technology and innovation

The govt is lifting the investment cap for the **NZ Venture Investment Fund** to \$1.5m, up from \$250,000, in an effort to improve its chances of backing successful early stage firms. NZVIF will also be able to back firms alongside private sector angel investor networks.

Canberra Data Centres, 48%-owned by **Infratil**, has inked a deal with **Microsoft** to deliver hyper-scale cloud services for government data and has approved the construction of its third new data centre for the Aust capital. **IkeGPS**, the laser measurement toolmaker, has received firm expressions of interest from existing Aust and NZ institutional and wholesale investors for a share placement of undisclosed size. **Rakon** anticipates a return to profit in the current financial year because of rising demand from new space and defence customers and recovery among telcos.

Banking, finance and insurance

ANZ NZ boosted nine-month earnings 19% on smaller impairment charges for debt and lower costs. Cash earnings rose to \$1.38b in the nine months ended June 30 from \$1.16b a year earlier. Impairment charges more than halved to \$51m and operating costs dropped 8% to \$1.09b. Mortgage lending rose 5.5% to \$76.26b and non-housing loans rose 0.6% to \$44.13b. Term deposits rose 20% to \$45.72b.

Heartland Bank annual profit rose 12% to \$60.6m as it maintained its margins while expanding its loan book. Net operating income rose 8.7% to \$171m and the bank's loan book grew to \$3.55b from \$3.1b a year earlier.

The **Reserve Bank** will recognise two bonds issued by state-owned **Kiwibank** as regulatory capital under the Capital Adequacy Framework, having previously rejected them. The ruling covers \$100m of Tier 2 convertible subordinated bonds issued in June 2014 and \$150m of Additional Tier 1 perpetual bonds issued by Kiwibank subsidiary Kiwi Capital Funding Ltd (KCFL) in May 2015.

Energy and resources

Contact Energy reported a 10% drop in full-year underlying earnings to \$141m, although statutory net profit showed a \$216m turnaround for the year mainly because the costs of closing its Otahuhu-B gas-fired power station washed out of the figures. The company is signalling it **will promote tighter wholesale electricity market conditions** by treating as discretionary the sale of approximately half a Terrawatt hour of thermally-backed generation that

ceo Dennis Barnes described as being ‘marginal’ commercially. “We think with tight supply and demand that might be better placed in wholesale markets, which should allow us to be more re-selective on C&I (commercial and industrial) re-contracting, which in (and) of itself should result in better prices for us,” said Barnes. Contact will move progressively to a **dividend policy paying between 80% and 90% of free cashflow**, once net debt falls to 2.8x ebidtdaf. It stands at 3.1x on the latest result. Full imputation will not be possible, but interim dividends will move from March to April to maximise use of imputation credits.

National grid operator **Transpower** declared a net profit of \$266m, including \$80m of unrealised gains, and will pay a \$165m dividend to the Crown.

Trans-Tasman Resources plans to invest at least \$600m to build and commission its project now it has a green light to mine iron sands from the ocean floor in NZ’s Exclusive Economic Zone in the South Taranaki Bight. A committee appointed by the Environmental Protection Authority approved the plan, having previously rejected TTR’s seabed mining proposal in 2014. Committee chair Alick Shaw used his casting vote to get the proposal over the line, with the committee split 2-2. **The decision is the first under EEZ legislation to approve seabed mining and is likely to be appealed** by environmental opponents.

Zeta Resources, the ASX-listed investment group advised by **Duncan Saville**’s ICM unit, is making a **partial takeover offer for NZ Oil & Gas**, at 72c a share. The offer is conditional on reaching 50%.

Greenpeace accused several multinational oil explorers and producers with operations in NZ of organising surveillance by a private detective agency. Industry participants say Greenpeace is seeking to distract from upcoming court appearances relating to protest actions earlier this year against seismic survey operations. While health and safety concerns may have motivated some surveillance, other activity may have been conducted without companies’ knowledge by a private agency seeking work. **PEPANZ**, the industry body, made no public statement on the issue.

Media

Fairfax Media’s NZ business, which is appealing a rejection of a proposed merger with rival NZME, posted a 7.7% decline in annual earnings to \$55.5m as print advertising revenue shrank faster than the newspaper and online news publisher could cut costs. Revenue shrank 7% to \$325.9m.

Health and retirement sectors

Summerset Group posted a 45% gain in first-half underlying earnings to \$35.7m and reiterated that full-year profit may increase by a third as it ramps up development. The company added 171 retirement units across eight villages in the first half.

Vital Healthcare Property Trust, increased annual earnings by 54% to \$61.8m as rental income rose in a year when it made seven major acquisitions and said its outlook is strong for 2018.

Capital markets

The **NZ Super Fund** has reduced the carbon exposure of its \$14b passive equity portfolio by reallocating \$950m away from 297 companies with high exposure to carbon emissions and reserves into lower-risk companies. As a result, 40% of the overall fund is now low-carbon. Ceo **Adrian Orr** says the fund isn’t not aiming for a zero carbon portfolio and will keep investing in energy companies.

NZX is mulling class waivers for stocks listed on its NZAX and NXT small-cap markets as part of a likely consolidation into the main board. Smaller companies could be subject to different requirements as part of a simplified structure. The stock exchange operator **more than doubled first-half profit** to \$7.95m as revenue and expenses both fell. Its core markets business lifted operating earnings by 1.6% to \$19.5m. **First NZ Capital** is to formalise its channel for private investors to support mid to large-sized companies seeking capital without listing on a public sharemarket. The new initiative will be called **Principal Investments**.

Transport and tourism

Freightways lifted annual profit by 22% to \$60.9m on volume growth and margin in the express package and business mail division and said it’s targeting earnings growth for the current financial year. The govt is targeting **one in three govt vehicles in the Crown fleet to be electric-powered by 2021**. Hong Kong-listed **Orient Victory Travel Group Co** has bought three parcels of land in Silverdale, Auckland for \$9m and plans to build accommodation units for Chinese tourists and to take advantage of the “critical housing shortage” in the city.

Corporate actions

Dissident **Abano Healthcare** shareholders Peter Hutson and James Reeves are calling it quits on attempts to restructure the company and are selling their 19% shareholding for \$36.7m.

Canada’s **WSP Global Inc** says its \$1.78 a share offer for **Opus International Consultants** is “very full”. ■

LEGISLATION

Parliament done till November

The last weeks of NZ's 51st Parliament were unusually quiet with no last minute rush of legislation and no Urgency sittings. The long-stalled cartel legislation upgrade finally passed, with **cartel behaviour remaining decriminalised**.

Parliament sat for the last time on Thursday and will be formally dissolved next week. The 52nd Parliament will be recalled once a govt has been formed. If the outcome is not clear on election night, the final results will be announced on Oct 7. **Parliament must be recalled in November.**

- *Italics denote update from previous edition of Hugovision*
- *A full compendium of the legislation before the House is available on The Hugo Group website, www.thehugogroup.com*

Bills Introduced

Financial Services Legislation Amendment Bill:

Introduced on Aug 3. The creates a new regulatory regime for financial advice. It makes amendments to ensure the conduct and client-care obligations of financial service providers and the regulation of financial markets remain fit for purpose. It also addresses misuse of the financial service providers register by offshore entities.

Racing Amendment Bill: *Introduced on July 31. The bill is based on a review undertaken by the Offshore Racing and Sports Betting Working Group in 2015. It intends to modernise sports betting by enabling in-race betting and allowing the Racing Board to offer betting on a wider range of sports. First reading completed on Aug 15 with the Greens opposed.*

Telecommunications (New Regulatory Framework) Amendment Bill:

Introduced on Aug 8. The bill proposes establishing a regulatory framework for fibre fixed line access services; removes unnecessary copper fixed line access service regulation; streamlines regulatory processes; and provides more regulatory oversight of retail service quality. First reading completed on Aug 16 with all parties in broad agreement.

Tribunals Powers and Procedures Legislation Bill and Courts Matters Bill:

Introduced on Aug 1. Omnibus bills intended to modernise and improve the efficiency of the courts and tribunals system. First reading on Aug 15 with all parties in agreement.

Trusts Bill: *Introduced Aug 1. Legislation to replace the Trustee Act 1956 and the Perpetuities Act 1964 with the intention of making trust law more accessible by clarifying and simplifying core trust principles and essential obligations for trustees. The bill is largely based on recommendations made by the Law Commission in 2013.*

Bills in progress

Employment (Pay Equity and Equal Pay) Bill:

Introduced on July 26. First reading completed Aug 10 with National, ACT and United Future in favour. Strongly opposed by Opposition parties. Bill referred to the Transport and Industrial Relations Committee.

Employment Relations (Allowing Higher Earners to Contract Out of Personal Grievance Provisions) Amendment Bill:

A bill from Scott Simpson (Nat), drawn on Dec 8. Reported back Aug 15 with amendments, but fundamentally unchanged. Labour and NZ First wrote minority views opposing.

Food Safety Law Reform Bill:

Introduced June 2. Committee stage interrupted on Aug 16 with NZ First withdrawing support due to the compliance costs.

Healthy Homes Guarantee Bill (No 2):

A bill from Andrew Little. Second reading debate on July 26. National and ACT opposed, but Maori and United Future parties joined Opposition parties so the bill progressed by 60 to 59. This was the last Members Day for this Parliament so no further progress will be made until after the election.

Maritime Transport Amendment Bill:

Introduced on Nov 10. Second reading completed on Aug 16 with National, Maori Party, ACT and United Future in support.

Private International Law (Choice of Law in Tort) Bill:

A member's bill in the name of National's David Bennett. Introduced on Sept 22. Committee stage completed by agreement on July 26 with no amendments.

Bills Passed and Defeated

Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill:

Introduced on March 13. Second reading completed on Aug 1 with all parties in agreement. Committee stage on Aug 2 with the govt making further minor changes and given its third reading on Aug 3 with all parties in agreement.

Commerce (Cartels and Other Matters) Amendment Bill:

Introduced Nov 2011, first reading July 2012, select committee reported back July 2013. Completed second reading on Nov 27 2014 with general support. In Dec 2015, the govt announced deletion of provisions criminalising cartel behaviour. The Committee stage debate was held on Aug 2. Labour supported criminalisation but also supported the wider thrust of the bill. Amendments were made to behaviour and collaboration tests. Third reading completed Aug 10 with Greens and NZ First opposed.

Land Transport Amendment Bill No 2:

Introduced on Sept 12. NZ First opposed the bill saying the rules applied to traditional taxi drivers should be applied to Uber drivers. Committee stage completed on Aug 2 and third reading on Aug 3 with just NZ First opposed.