

Transformation vs 'pragmatic idealism'

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The gov't's failure to mount any convincing defence of the Tax Working Group's recommendations for a capital gains tax looks far more rational in light of Jacinda Ardern's decision to excise the issue from Labour's agenda. It had been laying the groundwork for defeat for months. Even if a Labour/Green gov't were elected in 2020 without NZ First, there will be no revival of the CGT while Ardern is Prime Minister.

Simon Bridges now on borrowed time

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Simon Bridges was already struggling to convince his caucus that his performance was up to scratch before the gov't removed his strongest issue. There is now momentum for leadership spill from Judith Collins, with key former Bridges allies on-board.

Post-CGT tax agenda

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Abandoning the CGT puts pressure on the gov't to be seen acting on corporate tax avoidance, particularly by digital multi-nationals. However, accounting professionals warn the proposed digital services tax could be a two-edged sword.

Foreign donors to political parties under scrutiny

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The SIS and GCSB say they identified no cyber-threats or evidence of foreign gov't interference that could have affected the integrity of the 2017 general election. However, they warn that political parties present a 'large attack surface' for cyber crimes and did find evidence of political donations from foreign sources that concerned them.

Shaw puts moral hazard debate on the table

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Climate Change Minister James Shaw is still working on the consensus necessary to bring the Zero Carbon Bill to Parliament. Greens supporters will be hoping the CGT backdown creates space for a tougher climate change response. In the meantime, Shaw has opened the debate on who will pay when climate change starts claiming low-lying and coastal land.

Chilling signal for 'old China hands'

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Current and former diplomats who served Western gov'ts in Beijing are closely watching the arrest in China of a Canadian ex-diplomat on spying charges. The charges appear to relate to normal diplomatic activity. That is making some 'old China hands' reluctant to travel there at present.

How long for Winston Peters?

In our view, the capital gains tax decision will prove a fillip for both NZ First and the Greens, with the latter likely to pick up some support from disillusioned Labour voters on the left. Less clear is how Winston Peters is assessing succession. Shane Jones appears to lack the acumen to lead the party, but Peters cannot last forever.

Politics as usual from a would-be transformative govt?

NZ First can claim the glory of stopping a capital gains tax in its tracks, but the govt has for some time seen that as just fine.

Its failure to make a case for a CGT after the release of the Tax Working Group's final report was so total as to suggest it was willing to let NZ First win to achieve two things:

- take an unwinnable issue off the table for the 2020 election, especially as Labour's vote swells to near 50% and includes more people who might have had to pay such a tax than two years ago when Labour was unelectable; and
- demoralise the Opposition, which has devoted massive resource to arguing against a policy that is now abandoned.

At current support levels, Labour is gambling that its base will stay put or, at worst, head to the Greens. Labour can live with that.

In the words of one key Labour strategist, "we've just given the Greens a reason to get out of bed every morning".

Typical of the way the Labour base will swallow the decision was this comment on social media: "Ugh. So disappointing, but it the silver lining is it probably means a second term of Labour in govt."

It does dent the govt's 'transformative' narrative. The **antidote is the PM's transcendent popularity** - particularly among young women, who National's pollster has seen flock to Labour in the response to the March 15 mosque attacks. For **disillusioned Labour supporters**, the impact of the 'wellbeing' **Budget in six week's time** becomes important to shoring up the Labour base.

Cabinet signed off the Budget on Monday, meaning **a string of good news announcements** in areas including child poverty, domestic violence and funding for mental health services is on the way in the interim. **By mid-year, what would have been a weeping political sore for the govt will be a memory.**

The decision is comparable to Ardern's early resuscitation of the TPP trade agreement on her first international foray after the 2017 election. **The left was aghast but ultimately forgiving. The govt hopes for the same again.**

Simon Bridges: winter replacement looking inevitable

Frustration within the National caucus and also

among the party at large with Simon Bridges's performance as leader is building and **those promoting Judith Collins as his replacement would like to see the issue resolved before the party conference in July.** Collins's supporters say she has 29 confirmed votes from within the 55 member caucus, but that is not enough to avoid a division within the caucus, so the task now is to move some of Bridges' stronger supporters over to her so that she ends up with a clear majority.

Some **key caucus members are believed to be behind her bid: Amy Adams, Gerry Brownlee and Nikki Kaye** being the most prominent. Waiting in the wings is Bay of Plenty MP, **Todd Muller**, who looks to be a candidate for the **deputy leadership.**

Collins's willingness to agree to Muller is believed to be a big factor in her winning over the caucus members who voted for Amy Adams in last year's leadership spill. Muller was a key Adams supporter.

Meanwhile, National List MP based in Port Hills, **Nuk Korako**, will retire from Parliament in May, making way for the first NZ MP of Filipino origin, Auckland lawyer **Paulo Garcia.**

Tax Working Group response – a guide to the tax reform agenda

Accelerated depreciation for seismic strengthening on commercial buildings and a review of the status of tax losses at the time of a change of company control are among high priorities identified for further tax policy work in the govt's response to the TWG report.

Also high priority is consideration of "a regime that **encourages investment into nationally-significant infrastructure projects**".

So, too, is "a review of loss-trading, potentially in tandem with a review of the loss continuity rules". The govt endorses proposals to give the IRD powers to require a shareholder in a closely-held company to provide security if they owe a debt to IRD, the company is owed a debt by a shareholder, or there is doubt about the shareholder's ability to pay.

Also endorsed for speedy development are proposals to make directors personally liable for arrears on GST and PAYE, to allow IRD to seek departure prohibition orders, and to align standards of proof for GST and PAYE offences.

While there will be no CGT, **there will almost certainly be a tax treatment to penalise land-banking.** The Productivity Commission is to report on vacant land taxes and "review the current rules of taxing land speculators as a high priority".

Ardern also reiterated the govt's intention to **move**

against multi-national tax avoidance and cited its proposal to impose a digital services tax based on the turnover of companies failing to declare significant taxable income in NZ, such as Facebook.

This could yet prove problematic. Before the TWG decisions, CAANZ tax director John Cuthbertson was warning the tide is turning in the OECD debate on where corporate earnings should be taxed.

The debate is extending the concept of taxing digital revenue within a jurisdiction to taxing all revenues in that way. That would represent a **fundamental shift in global tax practice since the 1920s** and is worth watching. A US proposal in this area is gaining ground and could affect major exporters such as **Fonterra or Zespri** if they found their revenues taxed in export markets.

The TWG warned NZ should implement such a tax only “if a critical mass of other countries move in that direction”. At the moment, other countries are backing off. None of that nuance was reflected in the PM’s rhetoric on this subject this week. **A discussion document will go to Cabinet in May.**

The govt says it will consider not taxing earnings of the NZ Super Fund, but noted the “significant economic and fiscal implications” of doing so.

Shaw puts climate change ‘moral hazard’ on the agenda

Climate Change Minister James Shaw has broken the ice on the subject of moral hazard for compensation when landowners facing losses caused by climate change can no longer find insurance.

Speaking at an IAG-hosted insurance conference, Shaw spoke openly about international evidence that rising premiums are **the most effective way to warn landowners about the potential impacts of climate change and affect change.**

He effectively acknowledged that insurers have to raise premiums to discourage NZers from living in areas likely to bear the brunt of climate change, particularly low-lying coastal areas.

Shaw indicated central govt may bear some of the cost of landowners suffering losses caused by climate change impacts, but risk need to be shared across central and local govt, individuals, and the insurance and banking industries.

Political polls

Jacinda Ardern reached her highest ever rating as preferred PM, climbing seven points to 51% in the first **1 NEWS Colmar Brunton** poll since the Christchurch attacks. Simon Bridges’ preferred PM

rating dropped one point to 5%, the lowest during his time as National leader. Judith Collins was down one point to 5% and Winston Peters remained on 3%. In terms of party support, Labour was on 48% - up 3 points; National at 40% was down 2 points; the Greens were steady at 6%; NZ First on 4% was up 1 point, and ACT was stuck at 1%. The poll of 1009 people was conducted between April 6 and 10.

Overseas investment: the new national interest test

In proposals put out for consultation this week, Associate Finance Minister **David Parker** is proposing a strengthened national interest test for overseas investment and a requirement that national security and Maori values be criteria considered by the Overseas Investment Office when assessing whether to approve an investment of more than 25% in any asset worth more than \$100m.

In notes accompanying the announcement Treasury said: **“Some of the current rules do not seem to allow sufficient discretion for the government of the day to intervene in the national interest,** as can occur in Australia. Conversely, **other rules are overly specific,** creating undue administrative complexities, time and delay. We want to achieve the right balance between the need to restrict investments that do not benefit NZ and the need to facilitate high-quality investment that can boost our productivity.”

At a media briefing, **Parker offered natural monopolies such as an electricity network or gateway airport** as examples of assets likely not to meet the tests proposed.

The **Yili bid for the Westland Milk** would fall outside the scope of any new legislation, but even if it were to be caught, Parker said: **“I don’t want to leave the impression that the Westland Milk transaction in the future would necessarily be turned down.”**

The consultation document does not define what “national interest” might mean but says Ministers would use the test to determine what is, or is not, in NZ’s national interest.

“Unlike the substantial harm test, a national interest test would allow Ministers to consent to transactions that they determine to be in NZ’s national interest rather than only deny consent to those that pose substantial harm,” Parker said.

Mike Munro back in the PMO

The PM’s chief of staff, Mike Munro, is back in harness after another bout of cancer surgery.

Munro has been declared medically fit for duty and takes back the reins from acting COS, Raj Nahna, who saw through the response to the March 15 mosque attacks and the state visit to China.

Clark era COS Heather Simpson, retains influence, taking weekly meetings to review the Cabinet agenda – a task Munro, who was Clark’s chief press secretary, might have expected to take as COS.

There would be guidance on the factors likely to be considered, and their relative importance. Decisions could be reviewable (either on the merits or judicially).

China risks bubble on

The govt is not out of the woods on the Huawei issue. In practical terms, it is temporarily and indefinitely parked because Treaty claims need to be resolved before 5G spectrum can be allocated. That doesn't alter the need to rule Huawei in or out of the 5G rollout in the long run and Beijing is watching.

In recent days, China has also been upping its rhetoric against Australia over its Huawei ban and is now holding up Australian coal exports while actively seeking supplies from alternative countries, like **Indonesia, which goes to the polls this week.**

Sentiment within the NZ govt, both at the official and ministerial level, still seems stacked against Huawei. **The intelligence hawks might balk at compromise, but MFAT might take a different view.**

'China hands' fear signal from Beijing's Canadian arrest

Serving and retired NZ diplomats who spent time on service in China say the arrest of a former Canadian diplomat on charges related to normal diplomatic intelligence-gathering is having a chilling effect on their willingness to travel to China.

SIS D-G Rebecca Kitteridge noted in her briefing to the justice select committee on the 2017 election, "interference ... does not include normal diplomatic activities or efforts to garner influence or shape perceptions or policy by open lobbying or persuasion". However, it is for those kinds of activities the Canadian is being held.

Cyber thoughts from our spies

The heads of the SIS and GCSB, Rebecca Kitteridge and Grant Hampton offered a number of interesting cyber-security insights at their recent select committee hearing. Among them:

- human error is still the single "most common cyber threat vector";
- **political parties**, because they are both sending and receiving a huge volume of material from numerous unsolicited sources, represent a "large 'attack surface'" and tend to be unsophisticated from a cyber protection perspective;
- The rate of increase in cyber threats is exponential. A Canadian govt report found evidence of **3x more attempted interference in advanced, democratic**

countries' general elections in 2018 than in 2015 (although none in NZ's 2017 campaign);

- **basic cyber hygiene still involves:** using strong passwords; updating security patches, limiting administrator access, and "white listing" – only allowing identified users to access a particular privilege;
- **resist online and electronic voting.** Manual voting is "must less susceptible to compromise". The SIS is concerned by some local bodies' plans to trial such systems in this year's elections without being equipped to protect those systems.

The SIS and GCSB found no reason during the 2017 election to invoke a protocol established for "if there is a threat to the General Election".

But it did see state actors seeking to influence politics, **expressed concern about the lack of transparency on foreign donations** to political parties, and **the hold that some foreign govts exert over their 'diaspora' communities in NZ.**

While the GCSB and SIS have a policy of not naming countries, it was **clear they were referring mainly to the activities of Chinese state agencies in monitoring and influencing NZ politics and local Chinese populations**, including and particularly Chinese students studying in NZ.

Building Act reform proposals

The govt proposed big changes to the Building Act 2004, including to: regulation of building products and modern methods of construction, including offsite manufacturing; strengthening occupational regulation; risk and liability management; reducing the building levy; and strengthening penalties.

Consultation is till June 16.

PGF scrutiny

The **Auditor-General** will increase its scrutiny of the \$3b Provincial Growth Fund, citing risks of unappropriated spending because its activities span several agencies.

Polytech reform

Skills Active filed an application for a judicial review of the consultation period for vocational reform proposals, saying it is insufficient.

Labour relations

The subcontracting model used by **Chorus** to deliver ultrafast broadband was the right tool for the job, but left technicians carrying too much risk and migrant workers vulnerable to exploitation, said a report by MartinJenkins. 🇳🇿

Weak March CPI helps case for May rate cut?

The case for a May cut to the OCR grew a little stronger with the March quarter CPI coming in at 0.1% rather than the consensus expectation of 0.3%.

That brought annual inflation down from 1.9% to 1.5%, driven largely by cheaper petrol and international airfares. Food prices overall were up 1.2% on the quarter and 1.3% on the year.

The RBNZ also appointed long term employee, **Yuong Ha**, to replace John McDermott as chief economist and head of economics. McDermott has joined the economic research institute **Motu** as an executive director earlier this year. **Vanessa Rayner** is the central bank's new head of financial markets.

RBNZ capital proposals

The RBNZ extended the submission date on the proposal to increase minimum capital requirements for banks from May 3 to May 17. In interviews, governor **Adrian Orr** has indicated that higher capital ratios might be introduced on a sliding scale, with more than **the proposed 5 years potentially being available for compliance**. ASB Bank analysis suggested a 50 to 75 basis point impact on lending interest rates.

Net immigration still over 60k p.a.

The latest Stats NZ data indicates the country gained a record 6,570 permanent long-term migrants in Feb. For the **12 months through Feb the estimated net inflow of 61,576 would be the highest annual total in 26 months**.

Climate change

NZ's latest **Greenhouse Gas Inventory** shows gross emissions increased 2.2% between 2016 and 2017, and by 23.1% between 1990 and 2017. Road transport emissions and fossil fuel electricity generation were the big drivers of the emissions increase between 2016 and 2017. This followed a decrease between 2015 and 2016. Net emissions increased by 65% since 1990, mainly driven by forest harvesting. Recent data shows deforestation trends are slowly reversing.

The pervasive impact of climate change is also present in **Environment Aotearoa 2019**, a the joint Stats NZ/Ministry for the Environment publication mandated by the Environmental Reporting Act 2015. **The report represents a baseline for long-term, national environmental reporting**, being the first publication of a full set of indicators, as required by the Act.

Sentiment and activity indicators

The One News Colmar Brunton poll found **37% thought the economy will be in a better state in the next 12 months, 36% said it would be worse** and 28% thought it would be in the same. The result shows little change since the previous poll, in Feb.

The **BNZ-BusinessNZ performance of services** index fell 0.7 of a point to a seasonally adjusted 52.9 compared to Feb and was 6.5 points lower than in March 2018. That's the lowest reading since Dec 2012 and below the long-term average of 54.5. The **BNZ-Business NZ performance of manufacturing index** eased 1.5 points to a seasonally adjusted 51.9 in March, and was down from a 53.7 reading in the same month a year earlier.

Sharp drop in Chinese tourists

Passenger arrivals from China into Auckland International Airport dropped 29% in Feb to 41,080 in Feb, from 57,903 a year earlier when Chinese tourist arrivals in NZ hit a record. Arrivals from China were 9% higher in Jan at 36,137, but that was an increase of only about 3,000 from the year before. Across the two months, volumes were down 15%. Stats NZ recorded total visitor arrivals from China of 50,900 in Feb 2019, down 18,100 from Feb 2018. The decline in Chinese visitors **weighed on the accommodation sector**, with fewer international guest nights booked for the third straight month. International tourists spent 2.03m nights in accommodation in Feb, 3.2% fewer than a year earlier and offsetting a 2.6% increase in guest nights for domestic visitors, at 1.99m.

Real estate and rental markets

REINZ said the **6,938 sales recorded across NZ were almost 13% down on March last year**. Seasonally adjusted, every region experienced a fall in sales activity in March. House price appreciation eased further, coming in at 2.3% year on year, the lowest rate seen since Sept 2011. Stats NZ's **new national stock rental price index** rose 3.4% in March from the same month a year earlier, up from an annual pace of 3.3% in Feb. The 'stock' measure shows rental price changes across the entire renting population, whereas the 'flow' measure only captures dwellings that have a new bond lodged against them. On the flow basis, rental prices rose 5% in March from a year earlier, with Wellington rents up an annual 9.6%, the biggest increase in NZ.

Environment Aotearoa 2019 (*see climate change item opposite column*), noted a conflict between supplies of food-growing 'versatile land' and the creation of an average **5800 p.a. new lifestyle block properties**, often on versatile land, which makes up about 5% of NZ's total. ■

Brands and marketing

NZ brands held nine of the top 10 places in the 2019 **Colmar Brunton Corporate Reputation Index** measuring responsibility, fairness, success/ leadership, and trust. **Air NZ** remained top of the Index with **Pak'nSave** moving up four places from last year to second and **TVNZ** third. **Toyota** in fourth is the only international brand in the top 10. The other brands in the top 10 are, in order, **AA Insurance**, **Fisher & Paykel**, **Kiwibank** (up to 7th place from 16th), **The Warehouse**, **New World and Auckland International Airport**. **2Degrees** was the only telco to make the cut, while **Fonterra** did not feature in the top 10.

A **Massey University** survey of 116 managers from predominantly large and medium-sized businesses said nearly **two-thirds had no confidence in big data, preferring to rely instead on intuition** and experience to make decisions.

Primary industries

Dairy prices rose 0.5% in the latest Global Dairy Trade auction from the previous auction two weeks ago, the smallest increase since November. Whole milk powder - which makes up the bulk of the auction - fell 0.7% to US\$3,269 a tonne. It has fallen about 1.4% in the past month.

Controls on the movement of fruit and vegetables in Northcote have been lifted, with no further **Queensland fruit flies** detected. **Citrus imports from the US** were temporarily suspended following the discovery of a single **spotted wing drosophila larvae**, in a cargo of oranges from the US, on April 8.

MPI, DairyNZ and Beef + Lamb NZ released the 2019 **Mycoplasma bovis** National Plan saying the efforts to eradicate it remain on track.

Telecommunications

Chorus added a net 5,000 broadband connections in the March quarter, taking its total to 1.19m. Of that, it has 556,000 fibre connections, adding 39,000 connections in the quarter, and up from 394,000 a year earlier. This offset 22,000 fewer ADSL copper connections and a 12,000 decline in VDSL connections, which were at 352,000 and 283,000 respectively.

The **Commerce Commission** is leaning towards deregulating **Spark's resale of copper voice services**, as dwindling customer numbers indicate enough alternatives are available. Separately, Spark was fined \$675,000 for overcharging customers who terminated their contracts by an aggregate \$6.6m or an average of \$90 per customer.

The **NZ Superannuation Fund** will invest up to US\$115m in North American data centres, citing strong demand in growth and the utility-like characteristics of the sector.

Transport, tourism and infrastructure

Queenstown Airport is forecasting a 13% increase in flight capacity through its peak winter period due to additional flights being offered by **Qantas** and **Jetstar** increasing the total number of available seats by 176,234 in the six months through Sept.

Wellington International Airport withdrew its application for consent to extend its runway and plans to reapply early next year. Developments in international standards on minimum safe runway length are pending.

Water NZ says the govt needs to move quickly to set up a new **independent drinking water regulator** following more E. coli bacteria being found in Martinborough's drinking water supply.

Energy

Infratil said the value of three of its businesses, **Canberra Data Centres**, **Longroad Energy** and **Tilt Renewables**, has roughly tripled compared with their carrying value last Sept, increasing incentive fees owed to Infratil's manager, **Morrison & Co**. With additional costs and deferred earnings, Infratil downgraded expected underlying earnings to \$535m-\$545m from the \$580m-\$620m. Infratil-controlled **Trustpower's** annual earnings were around the middle of its previous guidance for ebitdaf to be \$215m-\$235m for the year ending March. It anticipates a weaker 2020 with generation levels likely to be lower than normal.

Both **Mercury** and **Genesis Energy** issued profit downgrade warnings as gas shortages and low hydro inflows push up wholesale electricity prices.

Maximising use of **solar, batteries and other forms of distributed energy** could save the country about \$500m in the long-term. Giving owners of those technologies equal access to distribution and transmission networks would speed take-up and enable selling their output to other users or used in coordinated services, the **Electricity Authority's Innovation and Participation Advisory Group** says.

Cut-price petrol retailer **Gull** is aiming for a July launch of its first South Island site south of Oamaru. Five more Gull sites are due to open in the South Island in the next two years.

Vector announced **Tony Carter**, **Paula Rebstock** and **Bruce Turner** are joining the board with the blessing of Entrust. They replace **James Carmichael**, who lost his position as an Entrust trustee in an election in

Nov, and **David Bartholomew** and **Sibylle Krieger** who both left after losing Entrust's support.

Mercury NZ chair **Joan Withers** will step down in Sept after 10 years as a director.

Media and entertainment

PM Jacinda Ardern is consulting about the role NZ could play internationally to get a change in social media companies' treatment of extremism, disinformation, election manipulation and hate speech. **Privacy Commissioner John Edwards** deleted from Twitter comments he made about **Facebook** executives, whom he described as "morally bankrupt pathological liars".

NZ's screen production revenue fell 20% to \$1b in 2018. Stats NZ said revenue from production was down \$245m on 2017, which had been a big year for major film productions. In contrast, post-production revenue increased \$130m (21%) to \$764m in 2018. Total screen industry revenue was \$3.3b in 2018, down \$268m from 2017.

Spark announced pricing and free-to-air broadcasting plans for the Rugby World Cup, undercutting **Sky TV**, which has been cutting subscription costs.

News publishers are working on proposals with **NZ on Air** that could lead to some level of public funding for both hyper-local civic journalism and some national news services. Plans are embryonic.

Milford Asset Management co-founder **Brian Gaynor** has taken a 40% interest in **BusinessDesk**, the business and economic news wire founded by **Hugo Group** principal **Patrick Smellie**.

Financial services

Warehouse founder **Stephen Tindall's K1W1** investment vehicle is lending \$1.5m to fund manager **Simplicity NZ**, to repay a \$900,000 loan to founder **Sam Stubbs** and support the firm's expansion.

Retail

Restaurant Brands NZ won't pay a final dividend after lifting annual earnings 3.3%, retaining cash for capital spending including the roll-out of 60 **Taco Bell** stores across Australasia. It reported an underlying profit of \$42.2m in the year ended Feb 25, up from \$40.8m a year earlier.

Procurement

Six govt ministers and a slew of building industry heavyweights, led by **Fletcher Construction** ceo **Peter Reidy**, signed a **Construction Sector Accord**, aimed mainly at trying to move beyond destructive commercial practices that have contributed to the

sector's fragility during a building boom. It seems clear that at least some of the **additional \$1b of cost for the Auckland Central Rail Loop** reflects a more realistic approach to costing and contingencies.

The accord commitments are largely behavioural, although Building and Construction Minister **Jenny Salesa** did deliver a major package of reform to the 15 year-old **Building Act** for public consultation.

Fuji Xerox has been reinstated as govt supplier on a probationary basis, despite an ongoing Serious Fraud Office investigation into accounting irregularities that led to losses of more than \$300m.

Science, IT and innovation

Air NZ experimented with 3D printing to create a point of use, time of need digital supply chain. The test was for a seat part, but Air NZ says being able to 3D print and certify aircraft parts could present significant time and cost benefits.

Callaghan Innovation launched **Scale-Up NZ**, an online platform intended to connect businesses with funders, incubators, multinationals and other collaborators.

Courts and regulation

Mainzeal's liquidators want to double the amount of compensation the failed firm's directors were ordered to pay. The High Court ruled four directors should pay \$36m to unsecured creditors for trading recklessly while insolvent. All directors appealed and, in their cross-appeal, liquidators called for higher compensation and greater recognition of **Dame Jenny Shipley's culpability as chair** and other factors.

The **NZ China Council** denied reports it had been told from the Beehive that **Dame Jenny** should not be reappointed as a council member.

The **Overseas Investment Office** says it is engaging more with interested investors before a formal application is lodged to weed out doubtful transactions.

Criminal gangs

Police restrained \$3.7m in assets after a year-long investigation into the **Comanchero Motorcycle Gang**. Arrests have been made and assets seized include two residential properties and several high end vehicles, including Range Rovers, a Rolls Royce and Harley Davidson motorcycles.

The gang is said to have swollen in size because of Australia's stricter deportation policy for NZ-born felons, upon release from prison. 🇳🇿

Gun law reform dominates

Gun law reform dominated the parliamentary agenda ahead of the two week Easter recess, now under way, but a large amount of other govt legislation made progress with the report back of R&D tax credit proposals amongst these. NZ First and National also united to vote down a local bill on the appointment of Maori representatives to Environment Canterbury. After a long consideration process the proposed euthanasia law was also reported back to the House and awaits a conscience vote in the Members' Bills process.

- *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

Credit Contracts Legislation Amendment Bill:

Introduced April 9. The bill seeks to limit usurious lending and predatory practices.

NZ Infrastructure Commission/Te Waihanga Bill:

Introduced April 8 and given first reading on April 11 with all parties in favour. Establishes the commission as an autonomous Crown entity to co-ordinate infrastructure planning and construction. Referred to the Finance and Expenditure Committee for report back by Aug 26.

Land Transport (Wheel Clamping) Amendment Bill:

Introduced April 4. Proposes a \$100 maximum fee for releasing a wheel clamp. Referred to the Transport and Infrastructure Committee for Oct 9 report back.

Bills in Progress

Arbitration Amendment Bill: National Party Member's Bill, introduced March 9 2017. *Committee stage completed April 3 with no major changes after rewrite in select committee.*

Building Amendment Bill: Introduced Aug 15 2018. *Reported back April 5 with numerous changes including to the powers to enter buildings.*

Canterbury Earthquakes Insurance Tribunal Bill:

Introduced Aug 1 2018. Reported back March 18 with numerous technical changes. Second reading completed April 11. National supported, dependent on more changes in the committee stage, e.g., allowing insurers to lodge claims, changes to tribunal procedure and membership.

Companies (Clarification of Dividend Rules in Companies) Amendment Bill:

Introduced on April 5. A Member's Bill in the name of Todd Muller relating to treatment of dairy cooperative 'dry' shares. Reported back April 12 with technical amendments.

End of Life Choice Bill : A Member's Bill in the name of David Seymour drawn from the ballot on June 8 2018. *Reported back April 9 with the committee unable to agree amendments or whether the bill should pass. Seymour to propose amendments to tighten eligibility to the terminally ill and put the Bill to a referendum at the next election.*

Employment Relations (Triangular Employment)

Amendment Bill: Member's Bill in the name of Labour's Kieran McAnulty, drawn on Feb 1 2018. *Second reading completed April 4 with National opposed.*

Insolvency Practitioners Bill: Proposes new rules governing insolvency practitioner regulation. Extensively rewritten by the select committee to require all insolvency practitioners to be licensed by the Registrar of Companies. *MPs completed consideration of the second select committee report on the recommitted bill on April 11 with all parties indicating support for the revisions.*

Local Govt Act 2002 Amendment Bill (No 2):

Introduced June 9 2016. Local Govt Minister Nanaia Mahuta said she would introduce changes in the committee stage to disestablish the Local Govt Commission in its current form. Once enacted, all reorganisation requests, except for those already accepted by the LGC, will need to meet new requirements for significant community support.

Local Govt (Community Well-being) Amendment

Bill: Introduced April 5 2018. *Second reading completed April 9 with National opposed.*

Taxation (Research and Development Tax Credits)

Bill: Introduced Oct 25 2018. *Reported back April 3. Changes include lifting the internal software development cap from \$3m to \$25m. Second reading completed April 11 with National opposing design and cost.*

Bills Passed or Abandoned

Arms (Prohibited Firearms, Magazines, and Parts)

Amendment Bill: *Introduced April 2 to ban semi-automatic and military style weapons and their parts. Reported back April 8 with minor amendment. Second reading completed April 9, committee stage, and third reading April 10, with ACT opposed.*

Commerce (Criminalisation of Cartels) Amendment

Bill: *Committee stage completed March 13 with govt amendments to allow cases to be heard in a District or High Court. Third reading completed April 4 with National opposed.*

Financial Services Legislation Amendment Bill:

Introduced Aug 3 2017. Third reading on April 4 with all parties in favour.

Canterbury Regional Council (Ngāi Tahu

Representation) Bill: *Introduced Dec 4 2018. Voted down April 3 by National and NZ First on grounds ministers should not appoint councillors.*