HUGOvision

Assessing the economic and political environment in New Zealand

March 20 2020 | Confidential to HUGO members

The govt's big choice - go harder or invite defeat

The govt has gone from tentative in its response to covid-19 barely 10 days ago to presenting the largest ever fiscal stimulus package by a NZ govt and the most extensive border restrictions ever imposed. Yet it is getting strong advice from both the health and finance sectors that it must do much more to stem to enormous threat posed by the covid-19 outbreak.

Flatten the curve is no longer the goal

"Flattening the curve" was claimed as the goal of public health and border control initiatives when they first ramped up last Saturday. That phrase has, however, been quietly retired. From an epidemiological perspective, there is no curve to flatten as yet. In fact, NZ has a swiftly receding opportunity to contain the virus, which would see public health infrastructure well able to deal with occasional waves of outbreaks. Singapore, Taiwan, China, Japan and South Korea are the model. Australia has already lost that opportunity. NZ may do so too very soon.

National lockdown?

The govt is being strongly advised by public health experts to apply an aggressive 4 week physical isolation 'pulse', which would virtually grind the country to a halt and allow cases of covid-19 to be identified, isolated, and people at risk through contact to be isolated and tested. This is the key to a 'containment' strategy of the kind that most countries have not managed to enact.

Fiscal, monetary and financial system responses - more to come

The scale of the measures being taken to control the viral contagion need to be met with an even greater fiscal, monetary policy and financial system response than has been seen to date. The RBNZ needs to review whether it can take the OCR below 0% and permit trading banks to start offering non-recourse lending to distressed SMEs and suspend mortgage principal payments. The govt must commit a far larger fiscal stimulus than the $12.1b package announced this week if it is to prevent catastrophic levels of business failure and unemployment well above 10%.

Did Bridges just lose the election for National?

By responding to this week's fiscal package in a combative and politically partisan fashion, Simon Bridges has instantly revived previously dormant speculation about his fitness to lead the party. His Tuesday performance in Parliament left many fellow MPs aghast. National will struggle to win the 2020 election in the govt does even a half-way decent job of the covid-19 response. Many feel Bridges has only made their job harder this week.

Election delay must be on the cards

The Sept 19 election date does not need to shift yet. But there are few around Parliament who are betting that it won't be pushed out. The only question is whether it will be delayed to later this year, or will require 75% parliamentary agreement to shift into 2021.

Text finalised March 20

Flatten the curve? That's so last week

The govt's policy response to covid-19 is, to say the very least, dynamic.

At the beginning of last week, less than one period of self-isolation ago, its approach was to take a limited and fairly conservative approach to both the restrictions it would place on daily life and the amount of economic assistance it would deliver.

Some time around Thursday of last week, everything changed.

It appears this was a combination of the speed with which international events were unfolding and other govts' responses were changing; a rapidly improving scientific and statistical basis for understanding the virus; and a political wake-up call.

Poll shock?

The last may have been decisive. We believe the govt would have begun to see private tracking polls showing its support was in free-fall as a public perception took hold that it was underplaying the pandemic.

By late in the week, the Treasury was in harness pulling off the shelf a range of simple, blunt instrument fiscal stimulus plans that hailed from previous pandemic planning and responses to the Canterbury earthquakes.

By Saturday, the PM was announcing an effective border closure - self-isolation and the collapse of international air connections are isolating NZ de facto.

At that point, she described the strategy as 'flattening the curve' to reduce the number of cases of the virus that would hit the hospital system.

By Thursday this week, 'flattening the curve' was out and preserving the current position - which is in fact no curve - has become the policy goal.

This is what China has apparently achieved with its massive interventions in Hubei province. Taiwan, Singapore and probably Japan and South Korea have also apparently managed to stop the virus from reaching a community transmission phase.

The case for aggressive lockdown now

However, achieving that requires a period of nationally coordinated physical distancing - effectively everyone staying home for at least a fortnight - accompanied by aggressive testing of all suspected cases and those with whom they have come into contact.

In this approach, the virus never takes hold in the current season and, by the time it makes a return, the massive global scientific effort - literally millions of scientists worldwide - should have had time to develop a vaccine and anti-viral drugs to stem its advance in the future.

That's the theory.

It is also the approach that the govt is being advised is required right now, if NZ is not to follow Australia in losing control of the virus and having it spread.

If that happens, we'll back to flattening the curve.

We expect the govt is debating this advice now.

The monetary and banking system response matters too

The RBNZ has been progressively ramping up its responses also this week. The OCR cut was largely symbolic - cheaper money is welcome but not decisive at current interest rate levels.

Far more important is the range of measures to delay new capital adequacy requirements, freeing up some credit capacity in the trading banks, and moves later in the week to ensure bond and forex market liquidity.

QE-style bond-buying cannot be far off.

However, we are hearing a growing clamour from senior investment and financial services professionals suggesting the RBNZ needs to go further and sanction more radical debt relief measures such as are emerging in Australia.

In particular, new lending on a non-recourse basis may be essential to save many SMEs and to delink the commercial and residential lending markets. The widespread use of personal guarantees on personal assets, particularly family homes, by SME owners is a major potential source of risk for the housing market.

The same advice suggests suspension of principal repayments for home mortgage borrowers must be considered. NAB announced this in Australia this week.

Covid-19 as a digitisation spur

One of the most clearly emerging themes for businesses coping with sudden demands of a world of work from home and without normal business travel is the spur to digitisation.

Businesses that have not previously taken the plunge to digital engagement, including video-conferencing and more flexible working styles such as home-working are being forced into it.

They may never go back.

This may, in turn, have profound impacts on the way airline industry recovers.

We are already expecting the govt will have to go much further than today's $900m commercially priced rescue loan for Air NZ. The airline will lose far more than the stated 30% of its current 12,000+ staff and will almost certainly need to be recapitalised.

The govt will end up a much larger shareholder in Air NZ than its current 52%.

By the same token, it is **highly unlikely that Air NZ will face meaningful domestic competition** when things start returning to normal. Jetstar is still flying in NZ for now. It has been a loss-leader anyway for Qantas. However, it is difficult to see why Qantas would return to the NZ market once it eventually withdraws Jetstar NZ domestic services.

Health funding in focus

Another consequence of the covid-19 outbreak should be a long term shift in govt thinking on the importance of 'fence at the top of the cliff' public health investments.

The public health infrastructure and workforce required to deal with a pandemic has been allowed to run down. These shortcomings are fully exposed by the virus becoming established in NZ and causing the so-called 'wave' of hospital admissions.

Bridges's fatal tin ear?

Simon Bridges's tin-eared parliamentary response to the govt's covid-19 response package may go down as the day that National lost the 2020 election.

Not because his attempt to find an attack line at a time when national interest should have been a responsible politician's focus was gauche. There will be many in the electorate who will happily sympathise with the view that only the deserving - i.e., non-beneficiaries - should have been targeted by the package.

Rather, it is because the speech had the perverse effect of appalling enough of his own caucus as to reopen the previously buried doubts about his fitness and ability to lead National to a winnable election.

Three or four short weeks ago, a National Party-led govt under Bridges was still a faint but credible possibility.

The coronavirus outbreak and the political challenges required of both govt and Opposition parties in response has changed all that.

Others in his party - notably deputy leader and election campaign manager Paula Bennett and finance spokesman Paul Goldsmith - struck an appropriately sober note.

But Bridges appears to have become captured by the idea that National's best hope is to channel a $2 Shop NZ version of Donald Trump, Boris Johnson or Scott Morrison. Schooled, but not necessarily comfortable in the politics of the new populism, Bridges has mistakenly assumed that this shallow approach to politics can succeed when frightened publics turn to their govts in hope of real leadership.

In that sense, the covid-19 response is changing not only the way the global population lives - at least for the next few months - but also the dynamics in which western democratic politics is now being played.

Bridges has not recognised that.

A coalition of angry, irritated and ambitious colleagues are now of a mind to think that National cannot win the election as long as the govt does a reasonable job of responding to the current crisis.

Signs are so far that it is.

So their minds are turning again to who replaces Bridges, whether before or after the 2020 election.

The hot favourite on paper is Todd Muller, who has positioned himself as a stable voice of reason, and who has invested heavily in understanding regional NZ.

Also in the wings is former AirNZ ceo Chris Luxon, who has gone remarkably quiet after an early speech as an MP taught him the difference between being reported by a relatively tame set of reporter-admirers in the business media and the Press Gallery.

Luxon's timing does look good, although he has far from paid his dues as an MP, as John Key did before assuming the leadership in 2006. He must, at the very least, be pleased not to be at the helm at Air NZ at the moment.

Drought package

The govt announced a $10.4m drought assistance package for needs such as delivering water for consumption, sanitation, wastewater systems, stock welfare and horticulture. The drought was also declared a large-scale adverse event, unlocking up to $2m more in funding to support farmers and growers until June 2021.

Covered are the NI, upper SI and Kaikoura, and Chathams.

Minimum wage rise to proceed

The govt rejected calls from opposition parties and some businesses to delay the planned increase to the minimum wage in April to help businesses cope with the fallout from the covid-19 outbreak. As with the increase to winter energy payments and $25 permanent increase in benefit levels announced in Tuesday's fiscal package, the govt is taking a politically fortuitous opportunity to boost household spending power, confident in the knowledge that most recipients will spend their full entitlements, to the benefit of SMEs.

POLITICS AND POLICY

Nats' regulation 'bonfire'

National promised to clamp down on the cost of resource consents, health and safety law, and the anti-money laundering regime as it pitches itself as a stronger economic manager than the current govt.

NZ First's bottom lines

NZ First leader Winston Peters said the retention of the Provincial Growth Fund would be a bottom line condition if it helps form the next govt. Peters also said he wanted tighter permanent residency qualifications, as current levels of immigration are unsustainable. However, he stopped short of naming a net migration target, a change from previous elections.

IRD offline for upgrade in April

Inland Revenue will be closed to the public between 3pm April 9 and 8am April 16 as it implements more IT upgrades and changes. During this time - which includes the Easter period - IRD's phone lines, offices and internet services will be closed.

Fuel industry reform

The govt released a new National Fuel Plan formed as part of the response to the Auckland Fuel Supply Disruption Inquiry after the outage to refinery to Auckland pipeline in 2017.

Consultation has also begun on regulations for a Fuel Industry Bill in response to the Commerce Commission's fuel market study. The bill will include the regulation of the wholesale market, obligations on suppliers for setting and posting prices, and for supplying fuel. Submissions on the content of regulations close on April 24 and submissions specifically relating to a regulatory backstop close on May 15.

Coronavirus briefs

- NZTE has earmarked $4m of its existing budget to fund a professional advice service to established exporters to help them manage through the pandemic. Each exporter who applies will be given a voucher for up to $5,000 per business to gain advice from a professional from either Deloitte or PwC on business continuity planning, scenario planning, business remodelling and supply chain readjustment.
- The Hotel Owners' Association warns its members could lay off up to 40% of their staff as travel restrictions mean occupancy levels are down 75%. Executive director Amy Roben said the govt's $150,000 cap on wage subsidies offered no comfort for big businesses. Finance Minister Grant Robertson said officials have been tasked with finding options to support larger and more complex firms.
- A growing number of large NZ companies are starting to impose domestic travel bans, restrictions on meeting attendance and are even considering preventing staff from moving off the floors they normally work on. Among those are understood to be the major trading banks, some of which have already moved either to ban non-essential domestic travel or to require all travel requests to be approved by senior managers.
- Customs' eGates have been closed for international travellers arriving in NZ with all required to have passports physically checked by a Customs officer.
- Business events and conferences worth $315m are at risk this year, due to the covid-19 response. Conference organisers are waiting for a govt directive on mass gatherings this week and have already been affected by tighter travel restrictions. Already $34.65m, or 11%, of business events have been cancelled, with another $44.1m, or 14%, postponed, Conventions & Incentives NZ said. There is another $236.25m of events facing potential cancellation or postponement.

Smelter closure in the balance

A decision on the future of the Tiwai Point aluminium smelter is due by the end of the month.

While a closure announcement would be a further blow to consumer and business confidence at the present time, actual closure would take at least one year and perhaps longer.

Another scenario would be a staged withdrawal which could, at least in theory, take longer. For example, a timetable for departure that coincided with the time required to upgrade the national grid to get the smelter's deep South load to the upper North Island. Some estimates are that this would be an eight year job.

Contact Energy's new ceo, Mike Fuge, is understood to be exercised on the issue and trying to find a way to strike a new price that would keep the plant open. However, the ball is primarily in Rio's, Meridian Energy's, and the Electricity Authority's court.

The EA could decide to apply a 'prudent discount' to the smelter's transmission charges - a major bugbear. However, even it did - and the regulator is apparently not keen to - it would not be enough on its own to keep the plant alive.

Currency outlook

Both the NZ and Aussie dollars are pro-cyclical with global growth, so the deeper the global downturn the lower both currencies will go. How low could that be?

Looking at prior lows on a nominal basis is hazardous, given the impact of inflation over long periods of time. A comparison with prevailing purchasing power parity estimates is better.

For the NZD, a level of USD0.57 is 23% below PPP, already breaching the 17% low reached in the GFC. On some considerations – such as the cliff-like plunge in economic activity and the closing of schools, factories and restaurants – the current environment is worse than the GFC. Other comparable periods are 1985, around the time of the NZ dollar float, and the 2000 global recession. Using the 2000 global recession as a comparator would imply the NZD/USD getting down to 0.45 in the current cycle.

For the Aussie dollar, a level of USD0.5750 is 30% below PPP, also breaching the 16% low reached in the GFC. The other comparable periods are 1985, not long after the move to a floating currency and the 2000 global recession, where the AUD got to 35% "cheap" on both occasions. Using these comparators would signal a possible AUD low of 0.53 in the current cycle.

There can be no confidence at present about scenario timings. Evidence that covid-19 is starting to moderate will be necessary before a sustained rebound becomes credible.

However, it is conceivable that the Aussie and kiwi dollars realise lows for this cycle sometime during Q2 then firming in the second half of this calendar year. For both, the 0.50-0.55 range seems plausible, assuming the current rout in risk assets has yet to fully play out.

We'll also need evidence that fiscal and monetary policy measures currently being rolled out are succeeding in calming markets and looking to support economic activity in Q2 and beyond. As argued elsewhere, there needs to be far more done than has so far been announced on both the public health and economic support fronts.

Supporting the recovery story would be signs that China's economic recovery has some legs. Some early evidence of that is emerging, but talk of "back at work" is too strong for the Chinese economy.

Aussie-kiwi parity?

Our research note earlier this week pointed to a breach of parity on the NZD/AUD cross, assuming further falls in oil prices – the theory being that weaker oil prices are negative for Australia's terms of trade and positive for NZ's. Relative commodity prices generally will be the key driver, given the exhaustion of monetary policy as a factor, with both cash rates at the effective lower bound and quantitative easing policies likely to get underway soon.

The NZ drought remains a potentially influential factor on the Aussie-kiwi cross. Otherwise, it's too early to judge which economy will see the deepest recession. Over the coming weeks, it might become clearer though. Relative economic and currency performance might come down to which country is most successful in containing the spread of the virus.

For now, we see the cross stabilising near parity plus or minus a couple of cents, before drifting lower.

Predictable gloom

Local firms were the gloomiest about their own businesses that they've been since the depths of the global financial crisis. ANZ economists published a flash reading of its monthly business confidence survey to give an update on economic indicators. The survey captured the first week, with 242 respondents, and will form part of the full report at the end of March. It showed a net 12.8% of those surveyed expect their own activity to decline in the coming year - the weakest reading since March 2009 - and turning around a net 12% predicting increased activity in Feb. Firms were also gloomier about the wider economy with a net 53.3% expecting worse times ahead, compared to 19.4% in Feb.

Trade with China

Stats NZ's experimental series to capture the impact of the covid-19 outbreak on China trade showed exports in the first 10 days of March were down $200m on the same period a year earlier. Since Feb 1, exports to China were $345m lower.

The earlier timing of Chinese New Year boosted the number of visitor arrivals from China in Jan 2020. Stats NZ said the increase was just before travel bans. Provisional numbers indicate that visitor arrivals from China dropped roughly 40% in 2020 compared with the same seven-and-a-half weeks in 2019 and 2018. There were 20,200 visitor arrivals from China in the week ending Jan 26, but this fell to under 1,000 in the week to Feb 23.

Construction activity

The volume of **construction work on non-residential buildings** fell in the Dec 2019 quarter compared with the Sept quarter, Stats NZ said. Non-residential building activity volume fell 3.6% in Q4 2019.

CORPORATE ROUND-UP

Transport, tourism and logistics

Air NZ is reducing capacity due to the impact of covid-19. Its long haul network capacity will reduce by 85% over the coming months and will operate a minimal schedule to allow NZers to return and keep trade corridors open. The airline placed itself into a trading halt to fully assess the impacts of global travel restrictions.

Among the long haul network capacity reductions, the airline is suspending flights between Auckland and Chicago, San Francisco, Houston, Buenos Aires, Vancouver, Tokyo Narita, Honolulu, Denpasar and Taipei from March 30 to June 30. It is also suspending its London–Los Angeles service from 20 March (ex LAX) and March 21 (ex LHR) through to June 30. The Tasman and Pacific Island network capacity will significantly reduce between April and June. Details of these schedule changes will be announced later this week. Domestic network capacity will be reduced by around 30% in April and May, but no routes will be suspended.

The airline won't benefit from the oil price slump until the coming financial year, due to fuel hedges locked in at prices well above current rates. Jet fuel represents around 25% of Air NZ's costs and 91% of its fuel is hedged for a year ahead at between US$54.64 and US$63.96 per barrel.

Auckland International Airport suspended earnings guidance for the year to June 30 citing the unprecedented scale of the new border restrictions and uncertainty over the impact.

Tourism Holdings suspended guidance saying while it is still possible it may meet its previous guidance of a $24m annual net profit, there were too many uncertainties for this to remain.

Primary Sector

Seeka said it had a labour shortage of 300 positions for local people across their kiwifruit orchard and post-harvest operations in Bay of Plenty, Coromandel and Northland.

Fonterra posted a normalised net profit after tax of $293m in the six months to Jan 31 versus $72m in the prior year. Normalised earnings, which exclude one-off costs and minority interests, before interest and tax were $584m versus $312m in the prior year. It opted not to declare an interim dividend given the possible impact of covid-19 on the rest of the year's earnings.

Dairy demand in China is recovering but **Fonterra** says it is still assessing the potential impact of coronavirus in key Asia-Pacific markets. Chief financial officer Marc Rivers said the pandemic had barely any impact in the first half, but will in the second half, particularly in Q3. Rivers said the food services business in China was hit early on when around 77% of stores were closed. Over the last few days this had started to change with only around 25% closed.

Prices dropped for the fourth straight time at the **Global Dairy Trade auction** amid concern covid-19 will cut global demand, but not as much as some expected. The GDT price index fell 3.9% from the previous auction two weeks ago. The average price was US$2,980 a tonne, compared with US$3,112 a tonne two weeks ago. 24,209 tonnes of product were sold, down from 25,576 tonnes two weeks ago. Whole milk powder retreated 4.2% to US$2,797 a tonne.

A2 Milk is expanding into Canada through an exclusive licensing agreement with Agrifoods Cooperative covering the production, distribution, sale and marketing of branded liquid milk.

NZ Coastal Seafoods is to buy nutraceutical ingredients maker Kiwi Dreams International for A$160,000 in an all-scrip deal.

Synlait bought 582 hectares of farmland next to its Dunsandel facility for $25.7m, giving it greater control over water rights and letting it carry out on-farm research. It will also develop a rail siding adjoining dry store and a new $32m 30,000 square-metre warehouse. The rail connection will remove around 16,000 truck movements.

Energy and resources

Genesis Energy's dual-fuel Rankine units at Huntly may play a critical role maintaining power supplies this winter should further maintenance be required at the Pohokura gas field, John Kidd of energy research house Enerlytica says. Production from Pohokura is currently affected by inspections and certification. Kidd said there is a significant risk the work will identify more maintenance work is required. If this happened and hydro storage lowers, it would mean the coal burners would be required at Huntly.

WEL Networks is looking to partner with landowners to build a solar farm as part of its approach to address energy hardship in the Waikato region.

The Provincial Growth Fund is putting $19.9m into a $50m joint venture between Ballance Agri-Nutrients and Hiringa Energy for the production of hydrogen from renewable electricity. The green hydrogen will be used to power Ballance's Kapuni plant. The Crown money will purchase a yet to be determined stake in the venture.

Banking, finance and insurance

Standard & Poor's says the big four NZ banks are in a strong position to weather the coronavirus crisis although credit losses are likely to rise from currently very low levels.

The **Reserve Bank** will delay or slow down most of its regulatory initiatives for an initial period of six months to reduce the regulatory impost free up Reserve Bank and industry resources to support to tackle the challenges created by covid-19.

Insurers are largely prepared to deal with the fallout from the coronavirus outbreak, according to RBNZ deputy governor Geoff Bascand. The central bank was satisfied with the response by banks when it asked about risk management plans for covid-19. It was also largely satisfied with the response from insurers, however Bascand said because of their diversity and differences in sizes the state of readiness was more mixed. Among other things, he noted some insurance companies are very exposed to interest rate risk.

CBL Insurance liquidators are evaluating whether the insurer's auditor, **Deloitte**, complied with professional standards as they investigate the downfall. A civil case has already been filed by the liquidators against CBL's directors and actuary PwC.

The govt released the third round of consultation for Phase 2 of the Review of the Reserve Bank Act on the regulation of deposit takers and the introduction of a **deposit insurance scheme**. Submissions are due by April 23. Early govt decisions might be expected on the scheme, given current strains on the financial system.

Peer-to-peer lender **Zagga** has moved into litigation loans to help those who would not otherwise be able to fund a family law case. Zagga, formerly known as LendMe, has had more than 1,000 retail investors fund 150 loans worth more than $33m in NZ and $240m in Australia.

The **Commerce Commission** issued a warning to **HSBC** over its failure to comply with the information disclosure requirements of the Credit Contracts and Consumer Finance Act.

The **NZ Super Fund** joined with parties associated with the **Russell Property Group** to buy a 250-hectare waterfront holding in east Auckland. There are no immediate plans to develop the land.

Telecommunications, media and entertainment

SkyCity Entertainment now expects an annual normalised profit of between $80m and $100m compared with last year's $173m because of covid-19 and says it might have to shut all its casinos. It is cutting all non-essential spending and asking staff to take voluntary leave, but was financially secure with undrawn bank facilities of $337m, and an expected $85m insurance payment for the International Convention Centre fire due soon.

Vista Group isn't expecting any significant reopening of cinemas in China until early April.

NZ On Air appointed former head of Saatchi & Saatchi in NZ and ceo at Peter Jackson's Park Road Post facility **Cameron Harland** as ceo to replace Jane Wrightson. He has stepped down from the **TVNZ** board to take up the NZ On Air role.

Wholesale and retail

Briscoe Group managing director Rod Duke doesn't expect to announce job losses in what he anticipates will be a difficult year for retailers. The company reported a lift in annual revenue 3.4% to $653m. Net profit excluding the impact of accounting changes increased 2.5% to $65m.

The Warehouse Group reported an 18.6% drop in first-half net profit to $29.2m. Excluding $22m of restructuring costs and the $19.7m impact of the new accounting standard for leases, the underlying result was up 16.7%. Sales revenue in the 26 weeks ended Jan 26 increased 2.6% to $1.7b and operating margin rose 6.4%.

Service industries

Restaurant Association ceo Marisa Bidois said patronage restaurants and cafes is well down with some reporting losses of up to 60%, according to the reports from the sector, and particularly from Chinese restaurants, had become more widespread.

Auckland Council's plans to introduce a Local Alcohol Policy have been stopped by the major supermarkets in a judicial review. The major supermarkets successfully argued against council's restrictions around hours of sale and future licenses which lumped grocery stores in with bottle shops.

Corporate actions

Humphry Rolleston's holding company sold a 20% stake in **Mercer Group** to **Big Chill Distribution** director **Colin Neal**.

Takeover activity has all but dried up as the pandemic ends the 11-year bull run on financial markets. Big name deals already close to being finalised will still probably get over the line, but Chapman Tripp partner Tim Tubman - who heads the firm's corporate and commercial group - said there aren't any new deals coming to market. "They're getting pulled left, right and centre. Or just not starting."

Covid-era parliamentary process unclear as yet

Parliament this week ended a three week session and is set to resume after a one week adjournment, though arrangements are under consideration to alter the sitting programme and how Parliament will run while also meeting physical distancing requirements.

A new, far smaller quorum may be considered. Question Time may consist of no more than six MPs from govt and six from the Opposition.

An already tight sitting programme will get tighter and we are watching for legislation that will be deferred to after the **election, assuming it is still held on Sept 19. The govt can defer up to Dec 19 at its discretion. A 75% parliamentary vote would be required to extend it beyond that.**

- *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

Gas (Information Disclosure and Penalties) Amendment Bill - *Introduced March 11. Enables regulation of public disclosure of information relating to gas supply outages for suppliers and major users.*

Local Government (Rating of Whenua Māori) Amendment Bill - *Introduced Feb 27. Reforms local govt rating law in regards to Māori land. Allows councils to write off rates arrears on any land where they cannot be recovered. Allows for greater powers to class such land as non-rateable and sets up a remissions process for Māori freehold land under development. First reading March 12, Nat and ACT oppposed, now with Māori Affairs Committee.*

Smokefree Environments and Regulated Products (Vaping) Amendment Bill - *Introduced Feb 24. Regulates the sale of vaping and e-cigarettes market. Proposes no sales to under-18-year-olds, no advertising and sponsorship of vaping products, no vaping or smokeless tobacco in smokefree areas. Regulates vaping products - including devices, flavours and ingredients. First reading March 11 with ACT opposed. Sent to the Health Committee with a Jun 2 report back.*

Bills in progress

Arms Legislation Bill - Introduced Sept 18. Second tranche of gun law post-mosque shootings and includes a firearm register and tighter licensing regime. *Bill currently on hold as NZ First seeks changes.*

Auckland Regional Amenities Funding Amendment Bill - A private Bill introduced Sept 12. Removes from the Auckland Regional Amenities Funding Act the requirement specified amenities prepare financial statements according to NZ IFRS. *Reported back Feb 21, second reading completed March 11 with all parties in support.*

Greater Christchurch Regeneration Amendment Bill - Introduced Feb 19. *First reading March 5 with all parties in support and referred to the Governance and Administration Committee.*

NZ Public Health and Disability Amendment Bill - Introduced Feb 13. Repeals the exclusion of resident family members from being paid for providing funded family care and support services. *First reading Feb 19, supported by all parties, now with Health Committee.*

Public Finance (Wellbeing) Amendment Bill - Introduced on Sept 11. *Reported back March 13 with minor changes.*

Residential Tenancies Amendment Bill - Introduced Feb 17. *First reading Feb 20 with National and ACT opposed. Referred to Social Services and Community Committee, to be reported back by 22 June 2020.*

Screen Industry Workers Bill - Introduced Feb 18. *First reading March 5. Nat and ACT opposed. Referred to Education and Workforce Committee for June 2 report back.*

Smoke-free Environments (Prohibiting Smoking in Motor Vehicles Carrying Children) Amendment Bill - Introduced June 17. *Committee stage completed March 11 with Opposition amendments defeated.*

Taxation (KiwiSaver, Student Loans, and Remedial Matters) Bill - Introduced June 27. *Second reading March, committee stage March 11. National opposed.*

Bills Passed/Failed

Education (Vocational Education and Training Reform) Amendment Bill - Introduced Aug 26. *A large number of amendments are recommended by the majority. Second reading on Feb 13 with National strongly opposed and warning the changes would cause many problems including financial issues. Committee stage completed on Feb 18 and third reading Feb 19 with National and ACT opposed. Govt MPs rejected arguments about the loss of autonomy.*

Election Access Fund Bill - Bill drawn from the ballot Feb 22 in the name of Chloe Swarbrick. *Third reading completed March 11 with all parties in support.*

Electoral Amendment Bill - Introduced July 29. *Second reading completed on Feb 13 with National and ACT opposed. Committee stage completed on Feb 19 and third reading on March 4 with National and ACT still opposed.*

Ombudsmen (Protection of Name) Amendment Bill - Introduced April 30. *Third reading completed on March 4 with National and ACT still mocking it.*

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