

Ministers ask for advice on improving SME lending

Page 2

Grant Robertson and Stuart Nash are concerned jobs-rich small-and-medium businesses are struggling to get bank finance and have asked officials for options.

A bridge to nowhere for cyclists and walkers

Page 4

The politics of climate change, public transport and commuting is never easy. A howl of protest from taxpaying commuters over Michael Wood's plan for a second cycling-only Auckland Harbour Bridge looks destined for the bottom drawer. A trial cycling lane on the current bridge looks to be the fallback option.

The man with a plan to reopen

Page 2

This coming Thursday Sir David Skegg will publicly unveil the official advice of his independent panel on a pathway to reopening the borders that was handed to Cabinet last month. It is expected to include possible vaccination thresholds triggering easing of MIQ and lockdown rules, a possible bubble reopening timetable and the use of vaccination passports. A similar Australian panel advised no reopening of borders or relaxing of lockdowns until all states were 80% vaccinated.

Seymour shines through 'winter of discontent' polls

Page 3

June and July were dark months for the Labour's poll ratings, but National and Judith Collins were not the beneficiaries. Three polls taken over the two months show Labour down around 10 points to barely 40% in June and July, while National was stalled around 28%. ACT's support rose around four points to 13% and leader David Seymour rose above Collins as preferred PM. The polls preceded this weekend's National Party annual conference, where president Peter Goodfellow's long reign may end.

First home buyers in RBNZ firing line again

Page 5

Grant Robertson finally gave a caveat-ridden approval for the Reserve Bank to impose limits on debt to income multiples, but he's still worried it will hit the politically sensitive pool of first home buyers hard before the next election. They also now face a halving of high LVR lending from Oct 1 and the formalisation quickly of an interest rate affordability threshold.

OCR seen hitting 1.0% by November

Page 5

Stellar jobs and wages growth in the June quarter reinforced expectations the Reserve Bank will start hiking the Official Cash Rate from Aug 18, with another two hikes likely by late Nov. The OCR is seen peaking by most at 1.5% in mid-2022, although one sees a rise to 2.25%.

Some stranded migrants set for residency reprieve

Page 3

Under intense political pressure from migrant rights activists on the left and business and Opposition leaders on the right, Kris Faafoi is set to accelerate and formalise pathways to residency for as many as 35,000 stuck in a queue that is now over two years and growing. NZIER, Ryman Healthcare and EMA Northern want much wider bulk granting of residencies.

Ministries asked for advice on SME lending

Ministers are concerned that SMEs are having difficulty accessing bank finance and private capital. Anecdotal reporting suggests that while larger corporate NZ is weathering the covid disruption well enough and has ready access to capital, the same is not true of many SMEs.

With a tendency to be under-capitalised and a **banking sector showing little risk appetite** - ie the relatively poor uptake of the bank guarantee lending scheme - SMEs are nonetheless the vast majority of businesses and employers in NZ. Another lockdown or a significant lift in interest rates on existing debt would be a serious challenge for many.

Consequently, **Grant Robertson** and SME Minister **Stuart Nash** have tasked **Treasury and MBIE to examine again what measures might be available to assist SMEs**.

It remains to be seen whether this might take the form of new government-led incentives or more jaw-boning of the banking sector to be more 'courageous' in their approach to business lending support.

Banking sector sources suggest there is **limited appetite for new debt among SMEs**.

Expect developments in coming weeks.

Are we there yet?

Employers, HR managers, tourist operators, international educators and anyone else wanting an exit pathway from Fortress NZ should clear their calendars for next Thursday morning.

The much-anticipated report by the independent panel advising Cabinet on what that pathway might look like as the vaccination programme rolls out is expected to be released mid-morning.

The key elements are expected to be:

- the vaccination thresholds required to start relaxing MIQ rules;
- including where NZ will accept visitors from;
- whether and how long visitors will have to stay in MIQ, or other facilities, with potential for shorter or longer MIQ depending on country of origin;
- whether visitors and leavers will need vaccination passports and rapid testing status; and
- the extent of ongoing public health measures, including the breadth and type of lockdowns, along with mask-wearing and 'no jab, no job' guidance.

We've already seen a preview from Australia, which

released its **Doherty** report, laying out its view on potential deaths and hospitalisations at various vaccination thresholds. The Federal Government used it to lay out a four-phase pathway to reopening, with the next phase B of less strict lockdowns triggered at 70% and less widespread lockdowns in phase C at 80%.

Australia plans to reverse its halving last month of its arrival cap from 6,000 a month to 3,000 once it gets to 70%. The cap would be removed completely in phase C after all states got vaccination rates up over 80%.

Entries would only be permitted from those countries seen to be as safe as Australia, which is specified as meaning similar vaccination rates with similarly highly effective protection rates of Pfizer and Astra Zeneca.

Australia's Treasury and Reserve Bank are not expecting international borders to open until mid-2022. Therefore, the reopening of the Trans-Tasman bubble appears closely connected to Australia's vaccination programme and whether NZ can keep up or even get ahead of it.

Delta - a major new risk factor

What remains to be seen is how the Skegg committee approaches the issue of the Delta variant's high transmissibility, including among those already double-vaccinated.

In highly-vaxxed Israel, the evidence is that the Pfizer vaccination's efficacy is reduced by about one-third and that vaccinated individuals are still able to shed similar viral load to those who are unvaccinated.

This must have implications for NZ's dependence on a hard border, with vaccinated border staff, as the front line in defence against a Delta incursion.

So far, neither key ministers or health officials are acknowledging this as explicitly as they might eventually need to do. At the very least, a reappraisal of the frequency of covid testing, including far greater use of non-invasive saliva tests, is likely to become part of the protocol.

The apparently **out-of-control delta outbreak in Sydney** is further complicating the prospects for a reopening for NZ, given it has forced a sixth lockdown in Melbourne today and is forcing a toughening of inter-state border controls.

The transmissibility of delta and the apparent lethality for younger victims in particular has raised the stakes for our government. It is particularly aware that opinion polls show most voters want much tougher border controls and lockdowns than many of those in export and tourism businesses.

A winter of discontent

Two polls have come out in the last fortnight showing Labour's support has slumped through the winter months as concerns about MIQ, the still-hot housing market, a stressed hospital system and an apparently successful anti 'ute tax' campaign took their toll.

The consolation for the government is that National has not been the beneficiary and leader **Judith Collins** already low popularity is fading further. The winner has been ACT, with a slight stirring among NZ First, the Maori Party and (in one poll) the Greens. In essence, the polls suggest that, a bit over two years out from the next election, **the political centre is in play again.**

A **Newshub-Reid Research** poll in the last week of July found Labour's support down 9.7 points since May to 43% and National up 1.7 to 28.7%. ACT support rose 4.2% to a record high 11.1%. The Greens were on 8.5%, up 1.4 points, NZ First 3.4%, up 1.5 points and the Māori Party 1.9%, up 0.7 points.

In the preferred PM question, ACT leader David Seymour moved ahead of Judith Collins for the first time. Collins rose 2.6% to 8.2%, while Seymour has risen three points to 8.6%. Jacinda Ardern was down 2.6% to 45.5%.

The monthly Roy Morgan poll also showed Labour down to 39.5% in late July from 45% in May, while National was virtually unchanged at 29%. ACT rose from 9% to 13%.

For now, Collins' leadership of National appears safe, given the lack of candidates wanting to grab the hospital pass off her this far out from the election.

State of the National Party

National Party President **Peter Goodfellow** may not be so lucky though. He is expected to be challenged either publicly or privately to take the fall for the party's poor candidate selection policy at the last election. The party's annual conference is in South Auckland this weekend and it is speculated a smattering of new board members may be enough to elbow Goodfellow aside or convince him to jump.

In his report to the party, **Goodfellow acknowledges the party's candidate selection failures** at the last election, which added scandals to the perception that National was unready to govern as it swapped leaders three times in 2020.

He promised **selections for the next election would involve "more extreme and comprehensive vetting"** and candidate support "and a focus on core party values and principles".

Meanwhile Collins told the conference opening this afternoon that there had been record attendance at regional party conferences. However, **membership figures disclosed in the party's annual report concede that membership targets for 2020 fell "well short"**, while membership in 2021 has dropped to below 20,000, having stood at a recent high point of 35,000 in 2008.

Fafoi under pressure

Immigration Minister **Kris Fafoi's** performance is under an even more intense spotlight than usual spotlight this coming week.

Pressure has been growing over the fate of at least 35,000 temporary work visa holders who are stuck in NZ with little certainty about their applications for residency. They are also blocked from either bringing in family members or going home to visit them, given doubts about whether they'll get back in.

The wait time for decisions has blown out to 28 months and the expressions of interest queue for applications has been closed, along with the ability for partners and family members to apply for visas.

The government ventured down a cul-de-sac with its structural review of long-term migration settings that was decided when it expected there to be plenty of slack in the labour market.

Instead, the surge in the economy and the slump in unemployment to 4.0% has fuelled increasing calls for looser settings, along with intense frustration about the lack of space in MIQ for workers to get in or return to work.

Fafoi has been forced into a series of ad-hoc visa extensions and u-turns under the weight of protest. He said this week the government expected to give more guidance next week for those facing an uncertain future.

Meanwhile, the intensity of the political pressure is growing from migrant rights activists on the left and business and Opposition leaders on the right.

Fafoi is expected to accelerate and formalise pathways to residency for some of the 35,000 stuck in a queue that is now over two years and growing.

Further announcements are expected in other areas as well, **including initiatives to prevent the loss of skilled migrants who are here already**, without completely overriding immigration policy principles.

NZIER, Ryman Healthcare and EMA Northern want

Coming up

Aug 9 - The **IPCC** is seen releasing a report showing temperatures rising faster than expected and calling for bigger emissions reductions

Aug 12 - The covid-19 Public Health Advisory Group led by Sir **David Skegg** is due to present a report titled 'Reconnecting NZers to the World'

Aug 18 - **Reserve Bank** expected to hike OCR from 0.25% to 0.5%

a much wider bulk granting of residencies, if only to stem the flow of workers leaving in desperation.

NZIER called on Thursday for a blanket visa with work rights that lasts until at least the end of 2024 to give some certainty. That would encompass as many as 200,000 people with various forms of work, student and holiday visas.

“We think that the government has not found a sensible solution yet to meet the needs of migrants lawfully in NZ when the most severe public health crisis in over a century hit,” NZIER’s principal economist **Peter Wilson** said in research note.

Wilson and his colleague **Julie Fry** have advised the **Productivity Commission** on their current inquiry into the economic effects of migration.

“A compassionate approach consistent with the principles of manākitanga (showing reciprocal respect, generosity, and care for others) should be applied. It is not too late to do the right thing,” Wilson said.

A bridge going nowhere

Meanwhile the political heat is growing on the government’s hastily announced plan for a second Auckland harbour bridge that is accessible only for pedestrians and cyclists.

Widely condemned by commuters, the cycling bridge appears set to be put on ice by Transport Minister **Michael Wood** after seeing the blast of opposition.

A poll found most NZers oppose the gov’t’s proposed \$785m walking and cycling bridge crossing the Waitemata Harbour. The Newshub-Reid Research poll asked: Do you think the government should spend \$785m on a cycle bridge? 81.7% said they don’t support the bridge crossing, 11.9% said they did, and 6.4% said they didn’t know.

NZTA is expected to propose an alternative trial usage of part of the existing bridge for cyclists, which would be a much cheaper option. The backdown may be achieved by portraying the repurposing of one lane of the existing bridge for bikes and pedestrians as a temporary measure.

Briefly

Immigration NZ says American billionaire **Larry Page** met the relevant requirements to enter the country amid covid-19 border restrictions. The **Google** co-founder travelled to NZ in Jan after his child became ill in Fiji and required treatment in an Auckland hospital. Ministers said the decision had been made by clinicians based on medical need. It was reported Page had somehow been granted residency, with no detail as to how that occurred.

PM **Jacinda Ardern** delivered the government’s apology for the Dawn Raids.

State-sponsored hacking by China was confirmed and corroborated by spy agencies and the embassy’s rebuke after NZ called it out was “fairly tame”, Security Agencies Minister Andrew Little said.

Seasonal workers from Samoa, Tonga and Vanuatu will be able to enter NZ from next month without going through quarantine. As many as 3,000 are expected to come to top up the 7,000 already here to the usual number of around 10,000.

NZ Nurses Organisation members rejected a pay offer as they do not believe the commitments made by the district health boards around staffing and pay will be carried out. DHBs said they were surprised and disappointed the improved offer had been rejected. The **first of a series of strikes** is scheduled for Aug 19.

International tourists will have to pay to visit Milford Sound if a plan to revitalise the eighth wonder of the world is picked up in its entirety. The **Milford Opportunities Project**, chaired by former **Meridian Energy** chief **Keith Turner** revealed its master plan, which aims to smooth the flow of visitors to the international attraction rather than cap numbers.

NZ agreed to repatriate **Suhayra Aden** and her two young children, who crossed from Syria into Turkey in Feb. Aden was a dual NZ-Australia citizen and grew up in Australia, but Australia revoked her citizenship.

Quarantine-free travel from all Australian states closed. The first segment of the 2m people in group 4 are now eligible to receive their Pfizer doses, beginning with 60 to 64-year-olds.

The government opened up another 500 rooms in managed isolation hotels for NZers stranded in a locked down New South Wales. The rooms will be available from Aug 9 to 22.

Medsafe granted provisional approval of the **AstraZeneca** covid-19 vaccine for people aged 18 and older. Cabinet is yet to consider whether to use the AstraZeneca vaccine in NZ, but it would allow donations to Pacific countries.

Mainfreight and Fonterra are the initial employers who will act as workplace covid vaccination sites, and will be followed by the **Warehouse Group**, and **Fisher and Paykel Healthcare**.

Pharmacists want to be more involved in the vaccine rollout. Currently only around 50 of NZ’s 1,000 pharmacies are providing the vaccine, with a further 550 able to offer vaccines. The **Ministry of Health** included pharmacies in its plan, but problems with cold storage and booking have been issues. 📌

RBNZ to tighten LVRs again

The government's hopes it could avoid more lending restrictions that hit first home buyers hardest was dealt another blow this week.

Following more signs the housing market is not cooling as much as expected in the wake of the March 23 tax deductibility shock and the March 1 reintroduction of lending limits, the **Reserve Bank signalled another tightening of low deposit lending rules and the creation of two more tools** to reduce the risks to banks from risky mortgage lending. All three measures will hit first home buyers hardest, given they were lent 77% of all high LVR loans over 80% in the first four months of the reintroduced restrictions.

The new tools included one used overseas to **limit debt-to-income multiples and the adoption of formal interest rate affordability floors**, which are already used internally by banks to assess whether borrowers have enough spare income to cope with interest rate surges or higher living costs.

First home buyers were responsible for a third of all loans with a DTI of over five, and would be most affected by higher interest rate affordability floors.

The central bank announced it planned to halve its 'speed limit' or allowance of high Loan to Value Ratio mortgage lending to 10% of total lending to owner-occupiers from Oct 1 after consultation.

The changes don't apply to landlords, who saw their restriction for high LVR lending tightened on May 1 to reduce their high LVR threshold from 70% to 60%. Only 5% of their loans are allowed over 60%.

Deputy Governor **Geoff Bascand** said the bank was concerned about those buyers granted high LVR and high DTI loans in the last 12 months, **citing their risk of negative equity if house prices fell.**

"We've already made adjustments to Loan-to-Value Ratio (LVR) restrictions to partially manage this risk, but **we haven't seen a sufficient reduction in risky lending,**" Bascand said.

Total new mortgage lending spiked as high as \$10.487b in the month of March, up 70% from a year earlier. It had only come down to \$8.526b in June, including \$816m of high LVR lending, which was up 25% from June 2020.

Govt still nervous over DTIs

The announcement included news of a new memorandum of understanding between Governor **Adrian Orr** and Finance Minister **Grant Robertson** granting provisional approval for the Reserve Bank to use the DTI tool. It was rejected by the previous

National-led government in 2017 as too punishing for first home buyers. Robertson delayed approval after the Reserve Bank again requested it last year.

Robertson even suggested it may not get his final approval. It won't be ready for use until next year at the earliest, given the need for more extensive consultation than the eight year-old LVR tool.

"I have largely agreed to the Treasury and Reserve Bank's proposed update to the MOU to add debt serviceability tools, but as I indicated in June, this extension should not unduly impact first home buyers," Robertson said.

That will be difficult to achieve in reality, given first home buyers have typically been the borrowers with the least equity buffer, the lowest spare disposable income and the highest borrowing relative to incomes.

They are also more likely than older owner-occupier and investor borrowers to suffer household income drops because of career breaks for children and small business failures.

The formal wording of the MOU gives the Reserve Bank plenty of wiggle room and caveats on the first home buyer issue.

"In the design and implementation of a debt serviceability restriction, the Bank will have regard to avoiding negative impacts, as much as possible, on first-home buyers, to the extent consistent with the Bank's purposes and functions under Part 5 of the Act," the MOU states.

Part 5 is about stopping bank failures.

OCR hikes locked and loaded

Economists and markets firmed up their forecasts for **the Reserve Bank to begin hiking the Official Cash Rate from 0.25% to 1.0%** by the end of this year. They see the tightening cycle starting with at least a 0.25% hike in the next Monetary Policy Statement due on August 18.

Most see a peak of 1.5% by mid-2022, although **BNZ** sees a possible 0.5% hike to start and a 2.25% peak by early 2023.

Much-stronger-than-expected June quarter jobs and wages figures cemented the confidence about NZ venturing out ahead of its main peers with rate hikes, having already stopped its Quantitative Easing programme before its peers.

The jobless rate fell to 4.0% from 4.6%, there was 1.0% jobs growth and wages rose 0.7% in the June quarter to be up 2.1% from a year ago. The number of people in work is now 63,000 above where it was in the Dec 2019 quarter before covid. 🇳🇿

CORPORATE ROUND-UP

Banks, insurers and fund managers

BNZ's parent **National Australia Bank** announced a A\$2.5b share buyback last week to return surplus capital to shareholders. The previous week, **ANZ Group**, the Australian parent of **ANZ NZ**, also announced an A\$1.5b share buyback, also to return surplus capital.

The big four Australian banks are sitting on billions in surplus capital, having being told to suspend dividends last year by the **Australian Prudential Regulation Authority** and because provisions for bad debts expected from last year's lockdowns have been released.

Energy and resources

Genesis Energy advised of a \$53m one-off hit to operating earnings after a loss in a dispute with **Beach Energy** over liability for carbon emissions from the **Kupe** gas field. The company said it was unlikely to reduce its final dividend payment, but would conduct an independent review of the unexpected legal decision.

Z Energy told shareholders it believed its core fuel business would remain strong for more than a decade despite moves to decarbonise the economy. It said the **Climate Change Commission's** forecasts on electric vehicles uptake were optimistic and overstated fuel demand decline. A decision to turn the **Marsden Point oil refinery** into an import terminal was passed by a shareholder vote as this issue went to press.

NZ Rugby boss Mark Robinson said he was comfortable with a decision to sign a six-year sponsorship deal for the **All Blacks** with British petro-chemical company **INEOS** worth about \$8m per year. **Greenpeace** called the deal "appalling" and urged **NZR** to abandon the sponsorship.

The government said it expected **an additional 150,000 tonnes of coal** to be imported this year, up 14% increase on last year's total of one million tonnes. This is mainly to replace gas, which is in short supply. **Hydro lake levels have recovered** and wholesale electricity prices have been correcting, but remain high against historic averages.

Manufacturing and construction

Over 1,200 owners of leaky homes were forced to give up their class actions against **James Hardie** and **Carter Holt** this week after **Harbour Litigation Funding** pulled the pin halfway through a 17-week trial in the Auckland High Court. Harbour agreed to pay James Hardie \$1.25m in costs in a final settlement. Carter Holt was also paid an unspecified amount in the case.

The writing was on the wall for the case after the **Ministry of Education** agreed a deal with Carter Holt in a similar case before it went to trial last year.

Independent Timber Merchants (ITM) reported revenues rose \$6m to \$63.2m for the year to March 2021. Profit was \$4.2m, up from \$671,000 the previous year.

Australian building materials supplier **USG Boral** confirmed it would exit the NZ market in Nov, with the loss of 45 jobs, raising fresh questions about the competitiveness of the NZ market.

DGL Group announced it would buy **Western Australian Opal Australasia**, adding 20,000 tonnes of manufacturing capacity in a deal valued at \$8.6m.

Godfrey Hirst protested over **Bremworth's** "demonising of synthetic plastic carpet fibres", including a claim the average Kiwi household had about 150 kgs of plastic on their floor.

Primary sector, food and beverages

The **NZX** milk price forecast for the 2021-22 season decreased six cents to \$7.63/kgMS, following this week's **Global Dairy Trade** event and a fall in dairy commodity futures trading over the past weeks.

Covid's impact on the seasonal fruit picking workforce and international supply chains hit **T&G Global** in the six months to June 30. Revenue of \$652.1m was down 2.9% and net profit fell 64% to \$3.4m. The company said it was **investing in automated fruit picking** but that process would take several years.

Indevin Group agreed to buy **Villa Maria Estates** for an undisclosed sum, wrapping up a nine-month sale process after the **Fistonich** family's vehicle **FFWL** was tipped into receivership. **Goodman Property Trust** agreed to buy 34 hectares near **Auckland Airport** from **Villa Maria** for \$75m.

Authorities working to contain a tomato plant disease are hopeful exports can resume to some countries before the season starts in Oct.

Last month the **Ministry for Primary Industries** stopped exports to six countries after pepino mosaic virus was found on plants here. MPI said PepMV was in four glasshouses.

Retail and wholesale

The **Commerce Commission's** issued its draft report into competition in the retail grocery sector, finding Woolworths (Countdown) and Foodstuffs (Pak'n'Save and New World) operated an **effective duopoly** that was not working well for consumers. Other issues include the complexity of the major retailers' pricing strategies, promotions and loyalty programmes that confused customers.

The Commission reported suppliers had few

alternatives but to supply the major retailers. This allowed them to exercise their buyer power to push excess risks, costs and uncertainty onto suppliers.

The Commission suggested various government interventions, including helping competitors to set up supply chains, 'splitting' up the sector to create a wholesale platform accessible to competitors, and potential legal action under the **Fair Trading Act**.

Also in focus is the way land use restrictions and zoning can be gamed to prevent competitors from establishing new stores near existing operators and discusses time-limiting lease exclusivity clauses.

Ministers said they were open to various options, but would wait for the final report. Woolworths (Countdown) described the changes as potentially significant, while Foodstuffs declined comment.

The **Food and Grocery Council** welcomed the report, describing it as the industry's '**Telecom**' moment.

Service industries and healthcare

Pacific Edge reported delivering record test numbers and cash receipts for the quarter to June 2021, with lab throughput up 179% from a year ago.

Aroa Biosurgery raised A\$47m in an institutional investor placement to fund more investment in US commercial operations and accelerate the development of its product pipeline.

Tech, telcos, media, IT and entertainment

Unimarket sold approximately 75% of itself to **Accel-KKR**, a US private equity firm.

Google opened its first dedicated cloud interconnect location in NZ. The physical infrastructure will allow Google Cloud customers to transfer data between on-premises networks and Google's virtual networks

Social media platform **TikTok**, owned by Chinese technology company **ByteDance**, registered **TikTok NZ** with the **NZ Companies Office**.

Submarine cable company **Hawaiki** plans to sell to **BW Digital**, an affiliate of Singapore-based shipping company **BW Group**, for an undisclosed sum.

Transport and logistics

Air NZ forecast a loss for the 2022 financial year of \$530m, up from a forecast in June for a \$450m loss. It said the suspension of the travel bubble with Australia forced it to reassess earnings expectations. The bubble pause reduced operating cashflow, forcing it to draw down more of its loan facility from the government before the end of August. Current drawings on the loan facility were \$350m, leaving a further \$1.15b available. News on its capital raising plans is due later this month.

TIL Logistics appointed former **Mainfreight Europe** chief executive **Mark Newman** as an independent director. It also unveiled its new brand, **MOVE Logistics**, the name of a Christchurch-based subsidiary it acquired in May 2017.

Electric vehicle registrations surged as the government's new subsidy scheme kicked in. There were 1,994 EV registrations in July, compared to 521 in June. They made up 6% of vehicle registrations.

Corporate actions

Vulcan is looking at an IPO and listings on both the **ASX** and **NZX**. The East Tamaki-based metal products distributor last week began the NZ leg of its institutional roadshow after pitching a A\$1b IPO to Australian fund managers.

Infratil completed the sale of its 65.2% stake in Tilt Renewables for gross proceeds of almost \$2b. It has used some of this money to fully repay its existing bank debt, but is still left with cash to buy new assets.

Courts, legal and regulation

AIA is facing a penalty of \$700,000 after admitting it made false or misleading representations to customers. The **Financial Markets Authority** said the AIA had agreed to admit all causes of action and will file a notice of admission in the High Court.


The FMA said it was happy with how retail investment platforms were operating in NZ, but was watching for poor behaviour such as seen overseas involving the likes of **Robin Hood**.

The **NZX** halted trading early Wednesday after participants were disconnected at 3:30pm. The stock exchange operator later said it was unable to establish stable connectivity before the closing auction at 4:45pm and decided not to reopen the market. The **NZX** said it was not the victim of another cyber attack.

People moves

A2 Milk appointed **Amanda Hart** as chief people and culture officer. She joins the company from being head of HR at **Dyson Appliances** Australia and NZ.

Plexure Group chief executive **Craig Herbison** resigned with immediate effect this week. He has also resigned as a director of the company.

NZME announced chief digital officer **Laura Maxwell** would resign after eight years in senior roles. She would be replaced by **Carolyn Luey**, who was returning to NZME in a new role of chief digital and publishing officer. Luey previously worked at NZME in 2016, before leaving for roles at **MYOB** and **Vodafone NZ**. 

LEGISLATION

National not converted

Against the wishes of its youth caucus and the previous views of caucus members, **National** voted to oppose the first reading of a bill banning sexual orientation conversion practices.

- *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

Conversion Practices Prohibition Legislation Bill – Introduced Aug 3. *The bill prohibits conversion practices that seek to change or suppress a person’s sexual orientation, gender identity, or gender expression. First reading on Aug 5 opposed just by National who argued it criminalised parents. Referred to the Justice Committee.*

Hazardous Substances and New Organisms (Hazardous Substances Assessments) Amendment Bill – Introduced Aug 3. *The bill aims to streamline the approvals system, enabling the EPA to make better use of information from international regulators.*

New Zealand Public Health and Disability (Restriction on Crown Funding Agreements and Unfunded Cancer Medicines) Amendment Bill – Member’s bill in the name of **Shane Reti** introduced on Aug 5. *The bill allows those who pay for, or have access to, cancer medicines not funded by the public system to have them administered within the public system.*

Overseas Investment (Exempt Investment from OECD Countries) Amendment Bill – Member’s bill in the name of **Damien Smith** introduced on Aug 5. *The Bill will exempt investors from countries within the OECD from the need to receive Overseas Investment Office approval to invest in NZ, except in for residential land.*

Bills in progress

Education and Training Amendment Bill - Introduced on April 21. The bill clarifies safety checking for children’s workers and school employees, extends the ban on charging trainees a compulsory fee by 1 year, emphasises only persons holding a teaching position can use physical restraint, and amends rules for licensing of service providers. First reading on May 6, supported by all parties and sent to the Education and Workforce Committee. *Reported back without amendment on Aug 4.*

New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Bill - Member’s bill from former NZ First MP **Mark Patterson** introduced on Oct 18 to raise the minimum residency qualification for NZ Superannuation from 10 years to 20 years. First reading on July 1 and referred to the Finance and Expenditure Committee, opposed by the Greens. Report back extended from March 23 to May 4. The bill is now in

the name of National MP **Andrew Bayly**. Reported back on May 4 with the Bill supported to pass with a number of amendments, including phasing in the move from 10 years to 20 years and softening the blow for realm nations. The Greens remain opposed. *Committee stage completed on Aug 4 with one major change in that the phase out process will not begin until 2023.*

Reserve Bank of New Zealand Bill - Introduced on July 28, 2020. The bill is part of the review of the **Reserve Bank of NZ Act** and follows the introduction of maximum sustainable employment as an objective of monetary policy alongside price stability, and the creation of the monetary policy committee. The bill repeals and replaces the parts of the 1989 Act covering institutional form, governance and accountability arrangements, and central bank powers of the Reserve Bank. It creates a new governance board. The remainder of the 1989 Act, which creates a framework for the registration and supervision of banks, remains in force but is renamed the Banking (Prudential Supervision) Act. It includes new rules and reporting around the use of foreign reserves. First reading on Dec 8, supported by Labour, the Greens and ACT. ACT’s future support was reserved. National and the Maori Party opposed. National said the Bill undermined the independence of the central bank and placed too much power in the hands of the Finance Minister. The Maori Party did not speak to their position. Referred to the Finance and Expenditure Committee. Reported back on June 8 and second reading on June 23 with National, ACT and Maori Party opposed. *Committee stage completed on Aug 3 with no change in parties positions.*

Bills passed/defeated

Income Tax (Adjustment of Taxable Income Ranges) Amendment Bill - A member’s bill from **Simon Bridges** introduced on April 8 to require income tax brackets to be reviewed every three years to keep them in line with inflation. *First reading on Aug 4. Voted down with Labour, Greens and Maori Party opposed.*

Land Transport (Vehicles Responding to Electrical Emergency) Amendment Bill - Member’s bill from **Simeon Brown** introduced on April 15 to amend the **Land Transport Act** to allow vehicles responding to electrical emergencies to display lights requiring traffic to pull over and let the vehicle through. *First reading on Aug 4 and voted down with just National in favour.*

Regulatory Standards Bill - Member’s bill in the name of **David Seymour** introduced on April 8. *Voted down Aug 4 with just National and ACT in favour.*

Secondhand Dealers and Pawnbrokers (Electronic Records) Amendment Bill - Member’s bill from **Andrew Bayly** introduced on March 25 to amend the **Secondhand Dealers and Pawnbrokers Act** to enable Police to recover and trace stolen property, and apprehend offenders involved in this activity. *First reading on Aug 4 and voted down with just Labour opposed.* 🇳🇿

