HUGOvision

Assessing the economic and political environment in New Zealand

May 13 2022

Confidential to HUGO members

Recession ahead - but how deep?

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The extremely tight labour market and rising inflation are largely out of central government's capacity to influence, leaving the RBNZ to do the heavy lifting. The sharpest increase in interest rates since inflation targeting began is on the cards. However, the depth of a resulting recession need not be deep or long-lasting.

Trying for a different conversation

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A welter of pre-government announcements on police funding, new housing initiatives, apprentice training, debt ratios, and above all climate change response, are in part an effort to turn the political conversation to a wider range of issues than the cost of living, which is inevitable and dominant.

Climate change front and centre next week

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Next Monday's Emissions Reduction Plan, which follows last Monday's confirmation of the carbon budgets through to 2035, sets the scene for a Budget that will concentrate in large part on the long term financing of the emissions reductions infrastructure that will be required if NZ is to meet its climate change commitments.

The bill for missing reduction targets

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Buried in the arithmetic of Nationally Determined Contributions and carbon budgets is a clear implication that NZ can expect to have to purchase at least 100 million tonnes of carbon credits from international markets to meet its 2030 Paris agreement commitments.

New debt target gives infrastructure leeway

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By measuring net Crown debt in the same way as most peer countries, Grant Robertson has given the government more room to borrow for capital expenditure, but is committing to having opex match tax revenue. Budget surpluses will remain the goal, but they will not be allowed to become large.

Buyers' market emerging?

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House prices continue to drift down, with a fall of 10-to-15% from recent highs likely, and with potential for larger falls than that. The number of houses selling at auction has fallen dramatically and total unsold stock is ballooning.

Three waters and credit ratings

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Standard & Poor's says Auckland Council's credit rating will improve when Watercare is separated from its balance sheet, although the rating agency does not see the same impact for Wellington.

Text finalised May 13
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A huge fortnight of initiatives

The conventional political wisdom circulating in Wellington is that the May 19 Budget will flop politically because it will focus mainly on climate change rather than the issue du jour – the cost of living.

However, the government has very little choice about that.

Firstly, there isn't a lot it can do about the fact that inflation is roaring away, interest rates are rising, and house prices are falling.

And secondly, it has been working up to this Budget and its associated package of climate change measures since election in 2017.

There was always going to be a time when a government had to do more than has occurred so far to deal with this issue. In fact, the match was lit on the fuse for this particular Budget when the National-led government signed up to a Nationally Determined Contribution of emissions cuts at the 2016 global climate change summit in Paris.

A new framework for the long term funding of emissions reduction initiatives has taken a huge amount of policy work between Grant Robertson and James Shaw.

Those announcements will follow the announcement of the first Emissions Reduction Plan, to be delivered in a budget-style lockup next Monday morning.

They, in turn, follow the confirmation of the carbon budgets that the government will put in place through to 2035.

As well as these announcements, there has been a blizzard of other pre-Budget teasers covering a host of political itches beyond those affecting the cost of living:

- additional police funding in response to a spate of ram raids and gang crime;
- extension to the end of 2023 of an apprenticeship training funding created in response to the impacts of covid;
- driver licence initiatives intended to improve employability;
- various new housing announcements and the single largest commitment of infrastructure funding for enabling works for housing development, using funds earmarked in last year's Budget.

Plus border reopening and immigration reset

Likewise, the announcement that the NZ border will open completely from August 1 and pre-departure testing for travel to NZ will end from that date should help somewhat with weak business confidence.

Likewise, the announcements relating to the reset of immigration policy, which drew unusually strong endorsements from across business lobby groups.

National points out that most of the reset announcement shuffles the detail of existing policy. It is hard to see why it took immigration minister Kris Faafoi a year to come up with these changes.

The concern now is that Immigration NZ is both under-staffed and slow at approving visas, notwithstanding the improved pathways to residence for people with some key skills.

However, the political effect is to underpin the sense that we are collectively moving beyond the locked up phase of covid.

The border and immigration announcements don't negate or drown out opposition to the Fair Pay Agreements proposal or overwhelm the heightened public concern about food and fuel prices, rising interest rates for borrowers, and the stalling housing market.

And the scale of the effort to tackle climate change will test public appetite for both the cost and the action required.

While the National Party is maintaining its bi-partisan support for the carbon budgets, that unity is unlikely to extend to agreement with many of the policy initiatives a Labour government will prioritise to achieve emissions cuts.

One compensating factor may turn out to be the size of the Climate Emergency Relief Fund – the name being given to the revenue from the ETS that will be recycled to fund emissions reductions investments. It may be surprisingly large.

It was estimated to be $3b in last year's Budget, based on a $35 carbon price. With carbon now at $75-plus and more NZUs being issued, the fund may be worth well north of $6b.

Limited Budget action on inflation

The Budget may also include an extension of the cut to fuel tax levies and half-price public transport, but is not expected to go much beyond that.

However, the need to be seen to be taking action on cost of living issues is creating further political room for a robust response to calls for more supermarket competition.

With media highlighting substantial discrepancies between the price of NZ goods in local and

Australian supermarkets, the supermarkets' position is looking particularly vulnerable.

Suggestions of the government becoming directly involved in grocery wholesaling are over-reach. We still expect moves in areas such as market share thresholds that trigger mandatory divestments.

New debt target – cynical adjustment or justified wriggle room?

Finance minister Grant Robertson announced new fiscal rules including surpluses being kept within a band of 0% and 2% of GDP, once a surplus returns. The government would also aim for a net debt cap of 30% of GDP, but based on a new debt measure that Robertson says is consistent with the way most OECD countries measure net debt.

NZ has left out various assets and liabilities, including the NZ Super Fund, in calculating its net debt ratios. That has arguably driven tighter than necessary fiscal policy.

The immediate impact is to give future ministers more room to move, although Robertson also committed to government operational spending matching annual revenue. The more generous net debt framework would allow NZ to more than double capital expenditure to help fund the major deficits in national public assets that were identified in the Infrastructure Commission's May 2 report.

Meanwhile, the Crown accounts continue to surprise on the upside, with stronger than forecast tax revenues continuing to flow.

The government's operating balance before gains and losses was a deficit of $8.11b in the nine months ended March 31, about $4.1b less than Treasury officials predicted in Dec. Tax revenue climbed 12.5% to $78.62b in the period from a year earlier, $2.68b more than forecast. Expenditure was in line with forecast and net core debt was 36.3% of GDP, $155m less than forecast.

NDC vs emissions budgets

Politicians from the two main parties must rejoice in the fact that climate change policy is so difficult to understand.

In the acronym soup of James Shaw's announcement on Monday this week for the carbon budgets through to 2035, there was no mention of the fact that these targets are still 100 million tonnes short of the emissions cuts required by 2030 under NZ's NDC, signed in Paris in 2016.

The nationally determined contribution (NDC) – a non-binding but morally powerful commitment – requires NZ to cut emissions to an annual total of 571MT in the decade from Jan 1 2021 to Dec 31 2030.

On the budgets released this week, NZ will target domestic emissions reductions of 585MT between Jan 1 2022 and Dec 31 2030.

Add back in the 75MT or so that was emitted last year and the total emissions for the NDC period are baked in at around 670MT.

Since experience to date suggests NZ will struggle to meet the extent of the cuts required, it is likely total emissions will be higher.

The only way to lay off that extra liability is to buy carbon credits on the international market. While there are some very cheap forestry credits around today, and there may be still in eight years' time, the political risk of buying cheap or low quality credits is significant, as the so-called "Ukrainian credits" scandal of the mid-2010s demonstrated.

So NZ will be going to market for high quality international credits in an environment where it is difficult to imagine that carbon will be anything other than more expensive than it is today.

The price of NZUs has doubled in the last year and a bit to around $75 a tonne, although that cannot be regarded as a reference price since NZUs will be the one carbon unit that NZ won't be able to buy to meet its NDC.

The EU ETS carbon price is currently around $150/t and Californian ETS carbon goes for around $45/t.

If shortfalls come in annual increments of around 10MT, that implies an annual cost to the Crown of between $450m and $1.5b annually – or $4.5b to $15b over 10 years.

These figures are indicative only, but give a sense of the scale of the offshore credits cost that NZ faces because it is not expecting to meet its own NDC with domestic emissions cuts.

Neither Labour nor National – nor on Monday, Green co-leader James Shaw – were talking about this.

Rather, the focus is on whether the remainder of the emissions reductions required can be met through either the price discipline of the ETS or the active recycling of revenue generated by the NZ ETS to drive emissions down domestically.

One key question must be: if the size of the ETS-driven Climate Emergency Relief Fund is dictated by the carbon price, how confident can the government

Brown vs Collins

The only available polling on the Auckland mayoral race suggests that the contest will be between Wayne Brown and Efeso Collins.

Heart of the City CEO Viv Beck, Trump-lite restaurateur Leo Molloy, and Chris Lord are trailing although Molloy claims to have his own, more optimistic polls.

The NZ Herald is understood to be polling in the next fortnight.

be that this potentially multi-billion fund can be applied efficiently to domestic emissions reductions?

National has endorsed the emissions budgets announced this week and they have the force of law. However, next Monday's Emissions Reduction Plan – where the government lays out for the first time the initiatives it intends to fund – will be a far greater test of cross-party unity on climate change action.

S&P upgrades Auckland on 3 waters reforms

Standard&Poor's says that, if implemented as announced, the three waters reforms would improve Auckland Council's credit rating from AA to AA+.

However, the reforms would have no impact on the current AA rating for Wellington's city council.

The Dept of Internal Affairs asked S&P to re-evaluate the two cities' credit ratings under scenarios where the reforms now confirmed go ahead.

In Auckland's case, "the theoretical amount of infrastructure spending and debt being transferred to the WSE (water service entity) from Auckland was substantially higher than the revenues the council was likely to forgo under the proposed reforms". There would likely be no changes to the short-term rating or outlook on Auckland.

For Wellington, the reforms would have "limited effect" on the city's budgetary performance assessment but would "adversely affect the council's total tax-supported debt relative to operating revenues".

Green hydrogen potential

A green hydrogen conference in Wellington last week saw Meridian and Contact Energy promoting prospects of commitment to a **large-scale plant being commissioned in Southland by 2026**. Speakers conceded the **economics of green hydrogen production are challenging**. The ability to shed load easily and trade into the electricity wholesale market during times of national shortage may be more profitable, at least in the early term, than producing hydrogen.

The process requires significant quantities of highly purified water for the electrolysis process. Presentations to the conference highlighted the **potential to use and enhance municipal wastewater** treatment schemes both to source water and to improve freshwater quality and reduce waste to landfill from water treatment.

DGL – a governance case study

The board of DGL, the dual-listed chemical supplier, censured CEO Simon Henry several days after NBR reported derogatory comments Henry made about MyFoodBag founder and celebrity chef Nadia Lim.

The company was blacklisted by several fund managers and KiwiSaver providers and its share price had fallen by almost $1 to $3.20 by late this week.

As 60% shareholder, Henry is in no danger of losing his position, but he has provided a textbook case in how not to respond to a reputational crisis.

The main issues: a slow response followed by an equivocal apology and a failure throughout to appreciate that the story was gaining a media life of its own. It is instructive that free speech advocates were nowhere to be seen defending Henry's remarks. While DGL will no doubt recover – the company had quadrupled in market cap since listing in May last year and the share price had been on a tear following improved earnings guidance last month.

However, the company has taken a permanent reputation hit for as long as Henry remains at the helm.

In brief

The new 'Green List' for priority residency would include roles in sectors such as construction, engineering, health workers and tech. A second work-to-residence pathway requires two years in the job before migrants become eligible for residency. This would also apply to roles in health, trades, teachers in particular specialisations like science and maths, early childhood teachers, and plumbers. Visas for about 20,000 migrants already in NZ are also being extended.

Pre-departure covid testing for travellers to NZ will end from May 31.

International students will be able to take jobs in NZ, but the right will be only available to students taking longer courses of study than was the case under pre-covid rules.

NZ has initiated dispute settlement proceedings under the CPTPP against Canada over the implementation of its dairy tariff rate quotas, arguing they have cost exporters about $68m in lost market access so far. Trade minister Damien O'Connor said it was the first dispute taken under the CPTPP.

As well as opening back up the borders for international students, the government has dropped plans to stop primary schools from enrolling foreign students saying the benefits of enrolling both domestic and international students under Year 9 are significant.

Mild to moderate recession ahead?

The auguries for the NZ economy have many similarities to the pre-conditions of the 2007/8 recession, when the domestic economy headed into recession ahead of the global financial crisis.

NZ's economic imbalances are being unmasked by the pressures on the global economy, with an increasingly aggressive monetary policy that may see interest rates rise at their fastest rate in the era of NZ central bank independence.

Even so, the NZ dollar has been weakening dramatically.

On balance, the chance of a soft landing is fading, although the extent of any recessionary shock will look decidedly mild by comparison with the wrenching effects of lockdowns and reopenings during the height of the covid response.

A very tight labour market is pushing up wages at the same time as supply chain constraints are both causing price inflation and goods shortages.

While border opening and immigration changes will have some impact on labour force dynamics over time, the reality remains that travel to NZ is not yet either straightforward from many parts of the world, or affordable by comparison with pre-covid prices.

The impact of Russia's war in Ukraine adds a further inflationary backdrop, which is pumping up soft and hard commodity prices, ameliorated only by the reduced demand created by China's ongoing attempt to maintain a zero-covid strategy.

The government's capacity to deal with either labour demand severely outstripping demand and to rein in inflation that's already got momentum is limited.

Monetary policy's role

As a result, the RBNZ finds itself with little option but to tighten monetary policy aggressively.

Inflation needs to come down from an expected annual peak of around 7% in the June quarter to near 2% and unemployment may need to be more like 4.5% vs 3.2% at present.

The three most likely ways this can play out are:

- a sudden positive supply response both domestically and internationally;
- the economy goes through a relatively protracted period of low growth;
- the economy goes into recession.

Supply conditions will start to improve as fewer people isolate because of covid, borders open, and global supply chains start easing.

But there is a very long way to go.

The central forecast is for NZ growth to stall next year, with some danger of a hard landing. Our central forecast, currently, is that New Zealand's growth stalls completely in 2023.

If the RBNZ takes the OCR to 3.5% at speed, this will represent the steepest increase in the cash rate since the Reserve Bank began inflation targeting, and its magnitude will come close to matching the Bollard era tightening cycle which ultimately ended in the 2008/2009 recession, albeit that it wasn't just interest rates that generated that recession.

Housing bubble keeps deflating

Westpac expects house prices to decline by 15% over the next two years due to rising mortgage rates. A 15% fall would take house prices back to 2021 levels.

The Reserve Bank said a sharp correction in house prices remained a plausible scenario.

The bank's latest financial stability report said house prices have begun to fall and it continued to monitor the extent of mortgage lending in negative equity.

It estimates a 30% fall in house prices could lead to around 10% of all outstanding mortgage debt falling into negative equity. However, the financial system was well-placed to manage pressure.

CoreLogic's housing index said prices fell 0.8% in April, which was the first drop since 0.2% in the Aug 2020 covid-lockdown.

There was a 1.6% drop in Auckland values and a 1.5% drop in Wellington, including a 3% fall in Lower Hutt.

The Real Estate Institute's house price index increased 6.3% in the year ended April, compared with a 9% increase in the year to March.

The seasonally adjusted national median house price increased 10.1% from a year ago to $875,000. But the month-on-month median price is down 1.7% from March, when it hit $890,000.

The number of houses sold fell 35% from a year ago with 4,860 sold, and the median number of days to sell increased by nine to 38 days across the country.

Housing consents hit 50,858 for the 12 months to March, up by almost a quarter on the prior year and the first time NZ building permits topped 50,000 in any one-year period.

Just under half of those, 24,475, were multi-unit and terrace homes, a 40% jump on the prior year. Stand-alone house approvals rose 12% to 25,383.

CORPORATE ROUND-UP

Primary sector

ANZ lowered its 2021-22 season milk price forecast by 40c to $9.30 per kilogram of milk solids, meaning around $500m less for the rural sector than it previously expected. It also cut its 2022-23 forecast by 80c to $8.50.

Westpac trimmed its 2021/22 milk price forecast by 10 cents to $9.50/kg but stuck with its 2022/23 forecast of $9.25/kg.

Fonterra followed suit after an 8.5% fall in the latest GlobalDairyTrade auction, the biggest fall in nearly seven years. Whole milk powder prices were down 6.5% overall to US$3,916 (NZ$6,075) a tonne, the first time they have dipped below US$4,000 since Jan. WMP prices peaked at US$4,757/t on March 1.

Covid-related port congestion and supply chain delays helped drive China's imports of dairy products down sharply in March. Fonterra said China's import volumes decreased by 29.1%, or 115,101 tonnes in March compared to March 2021. Compared to record import volumes in March last year, lower volumes were observed across most products.

Law firms running two competing claims against **A2 Milk** are consolidating into one, with 1,900 of the firm's shareholders interested in pursuing action.

PGG Wrightson lifted full-year guidance for a third time on solid demand for retail, livestock and real estate services. It expects operating earnings will be about $66m in the June financial year, up from an earlier forecast for ebitda of $62m, and the initial $53m forecast in Oct. Wrightson reported operating ebitda of $56m in the June 2021 year.

Beef cattle numbers increased by 2% (82,000) to 4m in 2021, while the number of sheep was slightly down from the previous year at 25.7m, down 1% (296,000). The number of dairy cows and heifers in milk or calf was down 1% (32,000) to 4.8m. The number of dairy replacements (remaining dairy cattle to restock herds) with 1.2m in total, down 1% (9,000) from the previous year. There were 814,000 deer, a decrease of 2% (19,000) from the previous year.

Sanford sold its spiny rock lobster quota in two fisheries management areas for $49.3m.

The harvested area of both barley and wheat dropped slightly in the year ended 30 June 2021, while the harvested area of maize grain increased. The predominant use of these crops has been for stock feed, although barley is also used for brewing, and wheat for making bread. During the year ended 30 June 2021, 43,500 hectares of wheat, 44,200 hectares of barley, and 17,500 hectares of maize grain were harvested.

Energy and resources

Transpower noted high levels of interest from grid-scale generators and load developers (mainly large-scale battery projects). The number of enquiries in the first nine months from July 2021 reached 100 in total and is expected to more than double compared to the 67 in the previous financial year. It did not expect all these to end in completed projects.

The inaugural chief executive of **Meridian Energy** and a prime advocate of the Lake Onslow pumped hydro scheme, **Keith Turner**, was appointed chair of the national grid operator **Transpower**.

Banking, finance and insurance

BNZ lifted its first-half net profit by 7.4%, boosted by favourable market value movements and a 7.5% increase in net interest income. Net profit for the six months ended March 31 rose to $709m from $660m in the same six months last year.

ANZ Bank NZ's net profit for the six months ended March 31 rose to $1.1b from $930m in the same six months a year earlier. Housing loans now account for 70% of ANZ's balance sheet, up from 64% two years ago. The bank's Australian parent lifted net profit 10% to A$3.53b.

Westpac NZ's tax-paid profit fell 5% to $497m for the six months ended March, reflecting a significant increase in provision for bad debts, which had boosted the year earlier period by $99m.

Kiwi Group completed the sale of its insurance business to nib NZ for $45m.

Tourism, transport and logistics

Auckland International Airport will press ahead with a $300m transport hub development to modernise the arrival and departure experience at the international terminal ahead of the $1b project to build and join a new domestic terminal to the international terminal.

A decision on when to launch the terminal construction will be made later this year, and depend on trends in the recovery of international aviation. The airport is taking the opportunity to do disruptive upgrades while passenger numbers are relatively low. Regular users should be aware that Carpark A, adjacent to the terminal, will be unavailable from May 30 as a result.

Fletcher Construction ceo **Peter Reidy** will return to **KiwiRail** as CEO mid-year. Reidy left after the appointment of Greg Miller as chair in 2018. Miller departed late last year before the findings of an internal culture inquiry. Reidy was regarded as instrumental in improving relations with trade

unions, improving commercial performance and convincing the previous National-led government to accept the 'above/below rail' accounting treatment that separates the network infrastructure from the rail freight and passenger assets and business.

Move Logistics said earnings are likely to be between $53m and $56m compared with its previous guidance that ebitda would match the prior year's $61.3m.

Telecommunications, media and entertainment

The merger between **Orcon Group (aka Vocus NZ)** and **2degrees** cleared its final hurdle after the **Overseas Investment Office** granted consent.

Spark will retain at least a 30 per cent equity stake in its telecommunications towers, as part of an auction run by investment banks Jarden and ForsythBarr.

AFR reports several international bidders showing interest in **Vodafone NZ**'s tower business. Among those cited: **KKR**-owned infrastructure investor John Laing; **Northleaf Capital** (Canada) in consortium with UK-based **InfraRed Capital Partners**; **Infrastructure Capital Group** (Australia); the **Ontario Teachers Plan**; and **DigitalBridge Group**, which is buying **AMP Capital**'s infrastructure equity business.

NZME-owned **Newstalk ZB** remains the most popular commercial radio station, according to GfK's latest radio rankings with a cumulative weekly audience of 744,000 people, up from 713,000 in the Dec survey. The Breeze, owned by **MediaWorks**, had the second-biggest cumulative weekly audience, with 624,000 listeners, up from 606,000. It was the most popular music station in NZ.

The **Film Commission** board launched an audit into its handling of conflicts of interests after its recently appointed chief executive, **David Strong**, was allowed to continue to pursue funding for his own film project.

The **Wright** family emerged as the sole backer of **Sean Plunket**'s new radio service taking a 75% of **The Platform** through its commercial arm, **The Wright Family Trust.**

Wholesale and retail

Briscoe Group announced first-quarter sales of $176.2m, up 1.8% from the $173.1m achieved in the same quarter of last year.

Woolworths' NZ division had a 3.8% increase in its third-quarter sales. Across all store types there were sales of $1.86b in the 13 weeks ended April 3, up from $1.79b a year earlier, driven by higher average selling prices, which rose 3.6%, with the volume of transactions shrinking 9.7%. However, earnings would fall as it was hit by higher costs.

Construction and infrastructure

Phillip Boylen will replace **Peter Reidy** as CEO of Fletcher Construction.

A shortfall of $8.7m has been left by the collapse of Wellington construction company **Armstrong Downes Commercial.** The liquidator Grant Thornton's first report showed $17.6m in liabilities and $8.9m in assets.

Kiwi Property Group received consents for its 4,000 homes and retail community development in Drury East.

The Pūhoi-to-Warkworth Ara Tūhono motorway opening has been further delayed until 2023.

Manufacturing

HamiltonJet is considering moving some of its manufacturing offshore due to labour shortages.

Commercial property

Property developer **Willis Bond** is reported to be in negotiations with Ampol for the sale and leaseback of Z Energy's freehold sites valued at about $140m.

Tech and IT

Xero reported a $9.1m annual loss as it resumed investing in growth, but subscriber growth slowed to 19% from 23% in the first half and 20% the previous year. The accounting software company's net loss for the year ended March compared with a profit of $19.8m the previous year. Despite the slowdown in subscriber growth, which took total subscribers to 3.3m, revenue was up 29% at $1.1b, as average monthly revenue per customer grew 7% to $31.36.

IkeGPS says it signed contracts worth $26m in the 12 months ended March, which will add about $16m to next financial year's revenue.

RocketLab successfully caught a reuseable electron rocket booster in mid-air using a helicopter.

Capital markets

Air NZ completed its $1.2b equity offering with investors buying 274m shares at 81 cents each in the shortfall bookbuild, meaning those shareholders who chose not to take up their right received a 28c premium.

NZ King Salmon's $60.1m rights issue closed with a $9.8m shortfall.

Australian share broking platform **Superhero** is about to launch in NZ.

LEGISLATION

Haere ra Simon Bridges

Parliament had a two week adjournment around the Easter break during the last month. In the weeks that it sat, Lemauga Lydia Sosene was sworn in as a Labour list MP replacing Louisa Wall and Simon Bridges gave his valedictory speech. MPs completed the committee stage of the Appropriation (2020/21 Confirmation and Validation) Bill (commonly known as the annual review debate).

- *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 in progress

Animal Welfare Amendment Bill - Introduced Sept 21, 2021. Bans livestock exports by sea by April 2023. First reading Oct 19, sent to the Primary Production Committee with National and Act opposed. Reported back April 14 as National and Act continued to oppose the bill and the select committee is balanced and was unable to agree on changes or whether it should proceed. *In the second reading on May 11, the government confirmed it would continue with the bill.*

Crown Pastoral Land Reform Bill - Introduced July 16, 2020. Ends tenure review and reforms the regulatory system covering Crown pastoral land leases. *Committee stage completed May 10 with the government making minor changes, National and Act firmly opposed and vowing to repeal it.*

Data and Statistics Bill - Introduced Oct 11, 2021. Repeals the Statistics Act 1975. First reading Nov 9 sent to the Governance and Administration Committee with the support of all parties. *Reported back on May 9 with a large number of changes. Numerous submissions expressed concerns about privacy issues and Stats NZ's powers to collect and store information without those originally providing the data knowing its end use. The committee made changes acknowledging these concerns but the thrust of the bill remains intact. Some submitters expressed dismay.*

Digital Identity Services Trust Framework Bill - Introduced Sept 29. Establishes a legal framework for digital identity services for individuals and organisations. *Reported back April 19 with a large number of changes.*

Education and Training Amendment Bill (No 2) - Introduced Nov 30, 2021. Widely amends the Education and Training Act 2020. *Reported back April 12 with further amendments from the govt concerning early childhood education regulation. National remained opposed.*

Fisheries Amendment Bill – Introduced April 13, 2021. Changes the fisheries management system with a graduated offences and penalty regime; amended rules for commercial fishers relating to catch requirements; adjusting commercial and recreational catch limits; and cameras on commercial fishing vessels. *First reading completed May 5 with Act opposed, referred to the primary production committee for report back by Sept 12.*

Maritime Powers Bill - Introduced June 23, 2021. Creates powers to board and arrest on ships in international waters where NZ has jurisdiction, and where alleged offending is located on vessel in international waters. *Committee stage completed on May 11 with no changes made.*

Pae Ora (Healthy Futures) Bill - Introduced Oct 20, 2021. Disestablishes DHBs and the Health Promotion Agency and replaces with Health NZ and the Māori Health Authority to fund and administer health services. *Reported back April 14 with mainly technical amendments. Second reading completed May 5 with National and Act opposed.*

Plant Variety Rights Bill - Introduced May 11, 2021. Replaces the Plant Variety Rights Act 1987. *Second reading completed May 10, Greens and Te Paati Māori opposed.*

Remuneration Authority Legislation Bill - Introduced Oct 11, 2021. Transfers responsibility for some judicial and statutory officers' pay to the Remuneration Authority. *Reported back April 19 unchanged.*

Retail Payment System Bill - Introduced Oct 11, 2021. Gives the Commerce Commission powers to regulate retail payment services, including merchant service fees. *Committee stage completed May 10 with no major changes. Third reading completed May 11, Act opposed.*

Rotorua District Council (Representation Arrangements) Bill - Introduced March 29. *RDC asked for a hold on the bill after a report by the Attorney-General found the proposed law would be discriminatory.*

Bills passed/defeated

COVID-19 Response (Courts Safety) Legislation Bill – Introduced March 8. Gives judges more discretion about how evidence is heard and other matters. National and Act opposed. *Second reading completed April 12 with National and Act opposed. Committee stage completed April 13. Third reading completed April 14 with National and Act still opposed.*

Protected Disclosures (Protection of Whistleblowers) Bill - Introduced June 24, 2020. Clarifies definition of serious wrongdoing, enables people to report serious wrongdoing directly at any time, strengthens protections for disclosers. *Third reading completed May 10 with all parties in favour.*

Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Bill - Members bill from Judith Collins and transferred to Nicola Willis. *Third reading completed May 4 with all parties now in favour.*