

Shifting west

Page 2

The Prime Minister's US visit reminded NZers of her capacity for international impact, but the most significant aspect of the trip is the sharp shift towards alignment with western "allies". The move will cause trouble on Labour's left and in the relationship with China, which may start to resemble the more robust relations that exist between Canberra and Beijing. Major trade items are unlikely to be affected, but niggles at the Chinese border can be expected.

Next stop, Brussels

Page 3

Jacinda Ardern will head to Brussels and London at the end of the month and NZ trade negotiators are using the scheduled visit to press hard for substantive progress on the long-awaited EU-NZ FTA. Ardern will return to NZ via Australia, where she will attend the Australia-NZ Leadership Forum in Sydney in early July. We anticipate any Cabinet reshuffle would occur shortly after that.

Nats on a roll

Page 3

Opinion polls that have either spanned or post-date the May 19 Budget suggest the government did not get a bounce from the cost-of-living package. The centre-right bloc now looks consistently capable of forming a government at the next election, particularly given the knocks to business and consumer sentiment implied by both domestic and global economic conditions.

Ag emissions – the hard bit is still to come

Page 4

Farming lobbies have now delivered their view of what the sector can bear in terms of paying for agricultural emissions. Now they must await government decisions, due by the end of the year. Advice on the He Waka Eke Noa proposals from the Climate Change Commission are due in coming weeks and are likely to be a bellwether for whether ministers will seek to press further than the agricultural sector is offering.

Supermarket policy and the 'd' word

Page 3

Cabinet papers released late this week show the government is intent on examining the potential to require divestment if supermarket competition does not improve. We believe this is more about ensuring the threat of regulation drives behaviour change as the papers acknowledge the potential for unintended costs and consequences. The supermarket owners, meanwhile, may try and shift focus to the pricing behaviour of suppliers at the wholesale level.

How far could house prices fall?

Page 5

Jarden is at the pessimistic end of forecasts, suggesting house prices could fall close to 20% from their peak last year.

DGL 'rage-quits' the NZX

Page 7

Chemicals company DGL is cancelling its NZX listing and will trade only on the ASX in an apparent reaction to the backlash by some NZ fund managers to its CEO's comments about MyFoodBag founder Nadia Lim.

Foreign policy reset

The PM's trip to the US and the shock waves from China's attempt to stitch together a new multi-country agreement in the Pacific Islands has effectively reset NZ foreign policy.

NZ is now firmly in the western alliance camp in a way that has not been the case since before the breakdown in the ANZUS alliance in the mid-1980s.

Particularly significant is the detailed reference in the PM's post-White House statement to military interoperability and exercises.

It's not that the NZDF has not sought interoperability, particularly with the Australian defence forces, for decades. The significance is in a Labour PM making those statements so clearly in a statement following the first White House meeting with a US president for eight years.

We are still not "allies", but the odd and pointed description of NZ and the US as "very very close friends" made the point that we are drawing closer.

"With mounting challenges around the world; inflation and our covid recovery, Ukraine, security in our region and climate change, this meeting has affirmed NZ and the US are of a like mind and there is significant scope for ongoing cooperation and collaboration that will benefit both countries and the world," Ardern said.

The unambiguous scolding that followed from Beijing was instructive.

What NZ businesses should expect is that, over time, NZ's relationship with China will become more like Australia's – more robust, colder, and with more built-in risk of diplomatic reaction being expressed through unexpected trade and travel retaliations.

The lesson, to date, from Australia is that this volatility is survivable and that trade in goods important to China continues, with occasional symbolic disruptions, irrespective of political tensions.

With the tourism industry reset already underway assuming no return of the mass (read Chinese) tourism that drove the sector prior to covid-19, some of the adjustment required is already occurring.

More challenging will be the Chinese government's attitude to resumption of international education.

Trade policy implications

Jacinda Ardern continued to publicly press for the US to remain open-minded about the CPTPP, indicating that NZ is not convinced that the Indo-Pacific Economic Framework is much more than a geo-political cloak for American protectionism.

International media debate since its inception has focused on whether the IBEF is a "nothing-burger" and on the pitfalls of the concept of "friend-shoring".

That is the growing presumption that friendly nations will trade more with one another and that supply chains previously built in a pro-globalisation environment will start to follow political allegiance to a greater degree in the near future.

"Friend-shoring" is a distinctly different phenomenon from moving away from "just-in-time" supply chains or the recognition that supply chains may need to be shorter and more resilient than had become the norm by late last decade.

The new concept is much more about political alignment, with attendant non-tariff barrier potential, than supply chain resilience.

That makes it inherently inflationary, anti-competitive, and inimical to productivity enhancement through shared and common access to new technologies, research and development.

As this trend develops, businesses may find themselves needing to relearn the habits of a more protectionist world. High margins, reduced competition and protected markets lie behind protectionist walls. Finding ways to get behind those walls may become as prized a skill as exploiting opportunities creating by trade barriers falling.

Climate change adaptation plan puts cart before horse

As previously indicated, the insurance industry has come out strongly against a government intervention in the flood insurance market, saying the real problems lie in the absence of a coherent plan to drive action to adapt to climate change.

The draft National Action Plan (NAP) on climate change adaptation published last month was light on fresh proposals, other than focus on whether NZ would benefit from introducing an equivalent to the UK's Flood Re scheme.

Flood Re was a response to unavailable or unaffordable flood cover in the UK, but the Insurance Council of NZ's submission on the NAP points out that there is no such problem in NZ. More than 95% of homes have insurance and cover will only become unaffordable if identified "future intolerable risks" are not properly managed.

This will require agreement on where risks lie, how to manage them as they emerge, how they will be funded, and the national system under which they will be consistently managed. None of those things are well-articulated in the NAP.

Likewise, the proposed National Built Environment, Spatial Planning, and Climate Change Adaptation acts do not cohesively propose such an approach.

The plan “should concede that climate change adaptation is not given sufficient primacy in addressing future development, that the challenges will prove too much for local government to manage its own,” the ICNZ said in its submission the NAP.

“In short, current institutional arrangements and planning processes are incapable of addressing the problem.”

It warns that a flood insurance market intervention could encourage people to stay longer or develop more in areas of high risk, raising the ultimate cost of climate change and creating expectations of government subsidy for both flood and other forms of insurance cover.

The flood cover scheme represents “a **disproportionate, inappropriate response to a barely articulated short-term ‘problem’**, focusing on one symptom of climate change rather than the underlying cause or wider consequences”.

EQC and Consumer Affairs Minister David Clark is understood to be particularly enamoured of the Flood Re model.

Supermarket politics

Supermarket owners’ fears that they would become a political whipping boy have proven accurate.

The government’s decisions to accelerate and override key aspects of the Commerce Commission’s recommendations on grocery market competition suggest a sector that has drained the tank of political capital.

Its remaining areas of fightback appear to be threefold, but it will need to be extremely wary of getting even further offside with not only politicians but also their customers in the current inflationary and low-confidence environment.

They are:

- Continue to write restrictive lease conditions that restrict nearby competition, despite actively dismantling land covenants that have traditionally sought to achieve this. Such lease terms were aired publicly last week now, so may prove difficult to sustain.
- Insist that the new compulsory code of conduct be based on principles of “good faith” rather than “fair dealing”. The distinction is sufficiently significant that parties are digging in on this in discussions being overseen by MBIE.
- Shifting focus and onus onto suppliers’ terms of

supply. Very little examined, to date, in the public discourse on grocery pricing have been the pricing practices of suppliers to different customers.

Watch closely for this last element to become a crucial part of the debate.

The key advantage for competitors of the supermarket duopoly is access to goods on the same or similar terms to the duopoly’s retail outlets from their wholesale facilities.

The terms on which suppliers make goods available to the wholesale trade may yet become the next battleground for margin.

On the potential to impose a retail outlet divestment regime, the Cabinet expects to assess proposals in October and that public consultation “could” be conducted from early 2023.

A Cabinet paper released this week says “retail divestment would involve divestment of existing retail stores or banners by major grocery retailers to establish new grocery retailers”, but the alternative approaches to implementing this have been redacted. There would need to a “high burden of proof” before divestments would be contemplated, the paper says.

No Budget bounce – older blokes grumpiest

Roy Morgan’s latest NZ political poll confirmed now entrenched trends, in which National’s support is rising, while Labour falls, the Greens remain static, and Act stabilises at around 10% support. The rolling poll taken in May and covering the Budget and climate change announcements but not the PM’s American trip and White House visit, put National on 40% support from 37.5% in April, while Labour slipped to 31.5%. The Greens were on 11.5%. That puts Labour / Greens at 43% to National / Act’s 50%.

A poll for corporate clients of Talbot-Mills before the Budget was more favourable, with Labour on 37% and National on 36%, with the Greens at 8%, Maori Party on 3% and Act on 7%. In that scenario, Labour would be able to form a government.

A 1News Kantar poll did deliver an early verdict on the Budget, with Labour falling two points to 35% while National was steady on 39%.

Jacinda Ardern’s 33% rating as preferred PM was down one point and her lowest since becoming PM.

PM to Europe

The PM will make the last of three long-haul diplomatic and trade missions later this month, this time to Europe.

Compared to the US trip, it will be lightning fast, leaving NZ on June 26 and back to Australia by early July for the **Australia-NZ Leadership Forum**.

The **goal in Europe will be concrete progress on an EU/NZ FTA**.

Ardern is in Australia today meeting newly elected PM Anthony Albanese.

POLITICS AND POLICY

Christopher Luxon 25% is the highest for a National leader since Bill English's brief premiership after John Key in 2016/17.

The May Ipsos NZ Issues Monitor confirming that the cost of living is by far the number one public concern.

The issue was nominated by 56% of people as their top worry, up from 53% in February, with housing slipping in importance but concern about crime jumping.

Perhaps most interesting about the Roy Morgan poll is the clarity of the gender and age cohort splits it shows. Broadly speaking, women are more positive about the government than men, and older men are particularly unhappy with the government. Only 29.5% of men over 50 believe the country is heading in the right direction.

That said, both men and women are net negative about current direction across all age bands, with 50% of all those polled saying the country is heading in the "wrong direction" to 40% nominating "right direction". Some 53% of men feel negative about current settings and only 36% are positive. Women are less polarised. Some 47% of women nominated "wrong direction" vs 43% who nominated "right direction".

The May government confidence rating, while slipping further, is in fact no lower than it was after the 2017 election. Rather, it has slipped from stratospheric levels of confidence early in the course of the pandemic.

Ag emissions – decisions crucial

Agricultural lobbies published their final He Waka Eke Noa proposals for pricing on-farm emissions, generating a predictable range of responses across the spectrum of the debate.

Our reading is that the key issue now is whether the Cabinet will accept proposals that would cut emissions perhaps just 5% or so by 2030. With pressure from the Greens and the need to appear serious about climate change, ministers will be mindful that the ag groups have proposed a levy system that they believe is survivable, but is also unlikely to be the most aggressive possible stance.

The Climate Change Commission's advice, due in coming weeks, will be an important guide to whether the proposals put forward will be sustained, or whether the government will be inclined to try to toughen them up.

ProdCom proposes talent visa

A new "global talent" visa is essential for securing the top talent NZ needs, says the Productivity

Commission in its final report on immigration settings. It also said skill shortage lists should be used to guide industry training rather than as a pass to hire more migrants. The report's 24 recommendations include stopping any more permanent residence visas from being issued to address concerns residents can re-migrate while holding unlimited rights to return. Instead, residents would have to renew their visas at least every six years, if they haven't obtained citizenship.

Gas market dynamics

NZ Energy Corp, a minor player in NZ oil and gas, has identified a potential 10PJ underground gas storage facility in the depleted Tariki field, onshore Taranaki.

For about \$100m, the company believes it could develop an option that would support the removal of coal from electricity generation and replace it with lower emissions gas.

Genesis Energy, the most likely customer, is not discussing the Tariki prospect although it did express an interest in gas storage more than a year ago.

One issue is payback times. The target of 100% renewable electricity by 2030 might imply that a new UGS would have a very short commercial life – possibly too short to repay the investment.

The proposal is politically charged because it comes at a time when the government is expecting further advice on the feasibility of the Lake Onslow pumped hydro project. Onslow's storage capacity would be equivalent to 18PJ.

Full steam ahead on 3 waters

It is now clear that the government either expects to lose the next election and will press on with highly contentious reforms such as three waters in order to entrench them, or it is judging that opposition to the policy is not hurting it among its core and target constituencies.

While Nanaia Mahuta is taking serious political flak on both this policy and on whether she is prosecuting her foreign affairs portfolio vigorously enough, there is no sense that she is losing the PM's favour.

Pre-departure testing

Also entrenched, we understand, is the PM's reluctance to end pre-departure testing for travellers to NZ. Other senior ministers, including Grant Robertson and Chris Hipkins, are believed to want to end the regime, but the PM remains extremely cautious. ■

World Bank cuts growth forecast

The World Bank cut its forecast for global economic growth in 2022 to 2.9% and warned of the potential for several years of “above average inflation and below average growth” although global inflation is expected to start easing this year.

The Reserve Bank of Australia joined the monetary policy tightening bandwagon, raising the cash rate 50 basis points to 0.85%. Australia is effectively lagging NZ’s tightening cycle, with similar economic conditions apparently emerging: potential for a shallow recession backed by weak house prices and consumer and business sentiment.

An OECD assessment of NZ economic policy settings suggested the government needs to target its spending more carefully and that it may be well-advised to back off some infrastructure investment to cool inflationary pressures. The six-monthly OECD report said NZ’s outlook was solid with growth of 3% this year and 2% next year, with inflation falling to 4.6% next year.

Economic indicators

Business confidence under pressure

The ANZ business confidence survey showed a sharp slide. **A net 55.6% of respondents said they expected economic conditions to worsen over the next 12 months, versus a net 42% that were negative in April.**

The most pessimism is found in the agricultural sector, where a net 82.4% expected things to worsen, followed by construction at 76.9%. When firms were asked their expectations **for their own activity, a net 4.7% expected their businesses to decline over the next 12 months, versus a net 8% that were expecting growth in April.**

Housing slowdown is on

Investment house Jarden is forecasting an 18% drop in residential house prices between now and the end of 2023, reflecting higher interest rates and completion of large number of new dwellings.

That would be around the mid-point between the 10% fall that the RBNZ says would put only 1% of mortgage holders into negative equity vs its expectation that, if prices fell on average 30%, one in 10 mortgage holders would face negative equity.

The Real Estate Institute of NZ, meanwhile, recorded the peak for house prices last November, at a median \$965,000, a 49% increase in two years, clearly fuelled by extra-loose monetary policy during the response to the covid pandemic. By April, the REINZ median

price had fallen back to \$905,000.

“A meaningful re-rating of housing is justified and (we) expect house prices to retrace to \$740,000 by December 2023, or 18% downside,” wrote Jarden analyst Grant Swanepoel. Westpac is the closest among the major banks to the Jarden view, forecasting a 15% drop from the top of the cycle.

Jarden anticipates the construction sector will remain capacity-constrained through 2024 but that activity is likely to ease in 2025.

Quotable Value’s latest builder cost survey said the cost of building an average three-bedroom home across the major centres climbed 20.9% for the year to the end of April.

Annual housing consents continued at above the 50,000 level in April, **down slightly** from the 50,858 approvals through to the end of March.

The ASB Housing Confidence survey said a net 11% of people expected house prices to continue increasing, down from a net 49% in the fourth quarter of 2021. A net 81% expected interest rates to increase over the coming year, a 26-year high. A net 20% of respondents said it was a bad time to buy a house, compared with a net 28% in Q4.

Job ads growth continues

BNZ analysis of employment ad data from SEEK shows no let-up in pressure on the domestic labour supply. There was a 2.5% increase in jobs advertised in May vs April and total jobs on offer are up 17% on a seasonally adjusted basis compared with December last year. This may partly reflect demand from a reopening hospitality sector and the increased need to find staff to cover for covid absences.

New commercial vehicle registrations were down 39% in May at 2,762 on the impact of clean car taxes, but new car and sports utility vehicle sales were up 5.6%. In all there were 13,337 new registrations down 8.4% from last May.

Credit strain

Credit reporting company Centrix said in April that arrears of ‘buy now, pay later’ loans increased to 8.9%.

Carbon prices

A World Bank report suggests NZ’s carbon price may have to double if it’s to achieve the emissions reduction targets. It also warns that current NZ carbon prices are at the bottom end of what is considered by some as reasonable and may expose exporters to risk from potential carbon border taxes. ■

CORPORATE ROUND-UP

Primary Sector

NZ red meat exports hit a record in April but ongoing volatility in China indicates headwinds in the coming months, the **Meat Industry Association** said. NZ exported products worth \$999.6m during April, up 16% on April 2021.

Zespri's 2021/2022 global operating revenue was \$4.47b, up 15% from the previous year. Grower returns per hectare were the second best on record, across all varieties.

Both **Fonterra** and **A2 Milk** applied to the US FDA for approval to supply infant formula to the US. Earlier this month, the FDA eased import restrictions, due to a massive shortage of baby formula in the US, which is now easing.

The **Overseas Investment Office** approved four applications to convert farmland to forestry under the soon-to-be-defunct special forestry test. This includes permission for Ikea-related companies to buy a 1,118ha sheep and beef farm in Gore and convert 977ha of land to plantation pine.

Beef + Lamb NZ said prices for sheep and beef farm inputs increased 10.2% between March 2021 and March 2022, compared with a 1.1% decrease in the previous 12-month period.

Synlait Milk lowered its forecast base milk price for the 2021-22 season to \$9.30 per kg of milk solids from \$9.60, bringing it back in line with Fonterra's latest forecast. The opening forecast for the 2022-23 season is \$9.00 per kgMS, also in line with Fonterra.

Fonterra announced a \$50m share buyback programme to support the sagging share price.

Energy and resources

The **Aggregate and Quarry Association** welcomed changes to regulations concerning the preservation of wetlands saying the original proposals went too far and wide and would have prevented the extension and new development of quarries.

The first public act of the electricity sector's new **Consumer Advocacy Council** is to start work on standardising power bills.

The **Commerce Commission** decided to allow the owners of gas pipeline businesses to raise prices for consumers, although not as much as it originally proposed. About 300,000 gas customers will pay an extra \$48 per year for the next four years, or about 3.8% more, and a total of \$190 over that period.

Banking, finance and insurance

ANZ and **Kiwibank** both lifted mortgage and deposit rates in the wake of the OCR hike. Kiwibank

lifted its headline rate for a two-year fixed mortgage to 5.19%. It moved its top deposit rate to 3.15% for a minimum of \$10,000 and a one-year term. ANZ's floating interest rate and flexible home loan interest rates rise 0.4% to 5.94% and 6.05% respectively.

The **SBS Group**, which includes subsidiaries Finance Now, FANZ and SBS Insurance (Southsure), reported an operating surplus of \$61.3m for the year to March, up from \$55.2m the previous year. The bank's lending rose \$365m to \$4.4b during the period.

The Reserve Bank is lifting its covid-era restrictions on banks paying dividends from July 1, subject to no worsening of economic conditions and the banks lifting their capital to meet the Bank's requirements.

Complaints to banks about lending-related matters fell in the first three months of the year, according to the **Banking Ombudsman**. Banks received 22,132 complaints during the quarter, down 9% from the previous quarter. Lending complaints fell 21% after rising 16% in the previous quarter. The biggest swing was in home loan complaints – down 37% after a rise of 19% in the previous quarter. Complaints about personal loans fell 18%, while credit card complaints remained steady.

Telecommunications, media and entertainment

2degrees and **Orcon** officially launched as a combined company, following a \$1.32b merger deal. 2degrees will become the sole brand, with sub-brands like Orcon, Slingshot and Flip phased out over the next 12 months. There are no plans to list the new company.

Sky Network TV confirmed it was in discussions to buy **MediaWorks**, a move that appeared to initially disappoint investors and following talk of PE interest in Sky itself, and potential consummation in the current year. MediaWorks recorded a loss of \$2.9m in F&21 as expenses grew. It lost \$4.8m in FY20. Revenue increased to \$203m, up from \$179m in 2020.

NZ Rugby's constituents voted overwhelmingly in favour of a deal with US equity firm, **Silver Lake**. Under the agreement, Silver Lake will invest \$200m in CommercialCo, a new entity set up to hold NZR's revenue-generating activities valued at \$3.5b. NZR will offer up to \$100m to domestic institutional investors later in 2022, with Silver Lake underwriting if the offer isn't fully subscribed. This will give the equity firm between 5.71-8.58% of the new entity.

TVNZ head of news and current affairs **Paul Yurisich** went on leave as the broadcaster reviews its recruitment processes following the departure of breakfast host Kamahl Santamaria after a complaint from a female colleague.

Vista Group signed an existing cinema customer, a Latin American exhibitor with more than 300 sites, to transition to the new Vista Cloud platform. Vista's annual recurring revenue reached \$100m for the first time in the current quarter.

NZME shareholder **Osmium Partners** sold 8.6m shares, for about \$11.7m, in May. The Californian investor still holds an 11.4% stake in NZME, down from 15.6%.

Manufacturing and construction

Fletcher Building is taking legal action over the insurance policy covering the NZ International Convention Centre fire in 2019.

The company was embarrassed by the discovery that it was stockpiling plasterboard for internal customers at a time of short supply for the sector as a whole. This was a "mistake", it said.

The cost of **Christchurch's new stadium** has risen to as much as \$683m, \$200m above original budget, and its opening date pushed back to April 2026.

Metro Performance Glass is blaming frequent covid-19 disruptions and higher input costs for a \$459,000 annual net loss in FY 22, compared with \$7.2m net profit the previous year.

Courts, legal and regulation

The govt opened consultation on extending the date at which better insulation for new houses will be required by six months.

The Wellington district court fined **Waste Management** \$450,000 for the chemical poisoning of an employee in 2017 at the company's hazardous waste facility in Lower Hutt.

Transport and logistics

QuayConnect, the logistics Division of Port Nelson, said it will develop an inland port at Riverlands, south of Blenheim.

Auckland International Airport said the return of American Airlines in Oct cemented its title as the Australasian airport with the most non-stop connections to the US and Canada. The flights will be between Auckland and Dallas Fort Worth.

Technology and IT

PaySauce reported revenue of \$3.5m and expenses of \$4.8m delivered an after-tax loss of about \$1.2m for the year ending March 31, an improvement on the \$1.6m loss the previous year.

Scott Technology signed a US\$35m deal with JBS Foods Canada for its largest-ever project, building a fully automated warehousing system in Alberta.

TradeWindow will need to raise an additional \$10m by Sept, as the company burns \$1m a month in cash to fuel its fast-growth strategy.

Australian company **Objective Corp** won a five-year, \$13m contract to set up a NZ police arms information system.

Service industries and healthcare

Pacific Edge's CX bladder cancer test will become an approved procedure for US health insurance giant Kaiser Permanente.

Promisia Healthcare reported net profit of \$2.4m in FY22, its first full year in operation as an aged-care business after a reverse listing.

Radius Residential Care reported FY22 profit of \$2.6, up from \$1.7m in the previous period. Revenue also rose to \$132m, up from the previous year's \$121.2m.

Arvida lifted annual net profit by 52% as its \$345m Arena acquisition performed better than expected. Net profit for the year ended March rose to \$198.9m.

Property

JLL NZ's biannual Vertical Vacancy Report said vacancy rates in Auckland's core increased marginally in the first quarter of the year, versus the third quarter of last year, to 8.9%, representing 9,300sqm of additional floor space.

Barfoot & Thompson has bought a 50% stake in Hamilton-based Lodge Real Estate, as the realtor looks to diversify out of the Auckland market.

Corporate actions

Private equity director **Chris Marshall** who helped take **My Food Bag** public on the NZX will step down from the board in Aug. His firm, Waterman Capital, still holds a 15.7% stake in the company.

Comvita rejected rumours it was the target of a takeover bid from the investment arm of a Chinese state-owned conglomerate.

Capital markets

DGL – the company at the centre of the Nadia Lim "Eurasian fluff" debacle – is to de-list from the NZX and trade its shares only on the ASX. The company cited low trading volumes, local observers called it "rage-quitting" after several NZ fund managers dropped the stock. DGL said it was due to low trading volumes. **ACC** committed more than \$10m to **Blackbird Aotearoa's** second fund dedicated to investing in NZ startups. Crown owned fund-of-funds **NZ Growth Capital Partners** has also committed \$30m, double what it contributed to Blackbird's first local fund. ■

LEGISLATION

Budget rush

The last month in Parliament was dominated by the Budget. This included Budget legislation (The Appropriation (2022/23 Estimates) Bill and Appropriation (2021/22 Supplementary Estimates) Bill). The govt used Urgency to progress Budget-related legislation and other matters.

- *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

Commerce (Grocery Sector Covenants) Amendment Bill - Introduced May 19 under Urgency. Amends the Commerce Act to outlaw covenants over land that could impede grocery sector competition. Referred to the Economic Development, Science and Innovation Committee for reportback by June 16, all parties in favour.

Electoral (Strengthening Democracy) Amendment Bill - Member's bill in the name of Golriz Ghahraman introduced May 19. Proposes include lowering the voting age to 16, not requiring NZers living overseas to have visited NZ within the last 3 years to maintain voting rights, and giving voting rights to prisoners.

Forests (Legal Harvest Assurance) Amendment Bill - Introduced May 18. Establishes a new regulatory system to ensure timber has been legally harvested.

Increased Penalties for Breach of Biosecurity Bill - Member's bill in the name of Jacqui Dean introduced on May 19.

Overseas Investment (Forestry) Amendment Bill - Introduced May 31. Reverses the 2018 special forestry test in the Overseas Investment Act.

Water Services Entities Bill - Introduced on June 22 the bill is the first in a suite of legislation to implement the three waters reform. In particular, this bill creates the framework for four publicly owned water services entities created out of councils existing water assets.

Bills in progress

Data and Statistics Bill - Introduced Oct 11 2021. Repeals the Statistics Act 1975. Reported back May 9 with a large number of changes. Hearings were dominated by submissions expressing concerns about privacy issues and Statistics NZ's powers to collect and store information without those originally providing the data knowing its end use. The committee made a number of changes acknowledging these concerns, but the thrust of the bill remains intact. Second reading completed May 17 with all parties in favour.

Electricity Industry Amendment Bill - Introduced Sept 9. Implements parts of the Electricity Price Review's

recommendations. Second reading on May 17 with just National opposed.

Employment Relations (Extended Time for Personal Grievance for Sexual Harassment) Amendment Bill - Bill in the name of Labour MP Deborah Russell drawn introduced Oct 21. First reading May 18, all parties in support, sent to the Education and Workforce Committee.

Hazardous Substances and New Organisms (Hazardous Substances Assessments) Amendment Bill - Introduced Aug 3. Second reading completed on May 17 with all parties in support.

Bills passed or abandoned

Pae Ora (Healthy Futures) Bill - Introduced Oct 20. Enables government's public health system reforms, including amalgamating DHBs under Health NZ and creating the Maori Health Authority. Committee stage completed June 2, including making a national rural health strategy mandatory. Third reading June 7.

Income Insurance Scheme (Enabling Development) Bill - Introduced May 19 under Urgency. Enables ACC to implement an income insurance scheme. Passed through all stages with National and Act opposed and the Greens abstaining.

Companies Office Registers Funding Validation Bill - Introduced May 19 under Urgency and passed through all stages with the support of all parties to retrospectively validate Companies Office levy administration practices.

Companies (Levies) Amendment Bill - Introduced June 2, makes the funding validation bill changes permanent.

Taxation (Cost of Living Payments) Bill - Introduced May 19 under Urgency. Implements Budget measures. Passed through all stages with National and Act opposed and the Greens abstaining.

Crown Pastoral Land Reform Bill - Introduced July 16 2020. Ends tenure review and reforms the regulatory system covering Crown pastoral land leases. Third reading on May 12 with no change in parties' positions.

Education and Training (Freedom of Expression) Amendment Bill - Private bill from ACT MP James McDowall. Would require tertiary education institutions protect freedom of expression. First reading on May 18 and voted down by Labour, Greens and Te Paati Māori.

Local Government (Pecuniary Interests Register) Amendment Bill - A bill from Labour's Tangi Utikere. Sets up a pecuniary interest register for local council along the lines of those in place for MPs and ministers. Third reading May 18 with Act opposed.

Maritime Powers Bill - Introduced June 23 2021. Provides powers to board and arrest on ships in international waters where NZ has jurisdiction. Committee stage completed on May 11 with no changes made. Third reading completed on May 17 with Greens opposed. 

