

## Australia-NZ relations reset

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The PM's second visit to Australia since the election of the Albanese Labor government has delivered a huge win in the form of a commitment to an automatic path to citizenship and an immediate change to the vexed policy of deporting so-called 501 criminals to NZ when they have no NZ family or support. Albanese calls the change a "reset" in the relationship.

## CER and geo-politics

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Trans-Tasman political alignment may only last as long as the next NZ election, if a National-led government is elected, but that will cover the year in which both countries will seek ways to celebrate 40 years since the signing of CER and seek big ideas for its extension. However, differences remain in the two countries' foreign policy and security stances, particularly with respect to China. Australia is more critical, NZ more cautious and inclined to try to be a peacemaking go-between.

## Green hydrogen - how real is it?

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The Southern Green Hydrogen project team, including senior managers from both Meridian and Contact Energy, were in Perth this week talking to Fortescue and Woodside about the proposed hydrogen/ammonia plant in Southland. Both preferred potential partners now have a base electricity price to work with. Fortescue is the clear front-runner.

## What now for NZ trade policy?

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The beef and dairy sectors are deeply upset at the minor market access gains accepted in return for concluding a trade agreement with the European Union, but the sense that European protectionism would remain insurmountable in future tempered coverage of the deal, which has been mixed rather than universally critical - about as good an outcome as the government could hope for politically. More important is what the acceptance of a weak deal with the EU says about NZ's long history of seeking "comprehensive, high quality" deals and whether that is changing.

## Gloom deepens

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With the RBNZ expected to raise the OCR again next week, house prices sliding and signs of a softening rental market, the fundamentals for at least a shallow recession are in place. Business and consumer confidence remains very weak, while inflation expectations remain high.

## Luxon treads a fine line on abortion

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The political left, somewhat panicked by National's poll resurgence, has sought to make Christopher Luxon's willingness to maintain current abortion law settings despite his personal convictions opposing abortion, into a character issue. However, this is not so far registering with voters.

## Quiet deal on '501s'?

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While no explicit policy change will be announced, it appears Australian Ministers will use discretionary powers to gradually reduce the numbers of 501 deportations.

## New potential in Aust-NZ relationship “reset”

Australia-NZ diplomatic and political relations very warm, with Anthony Albanese declaring a “reset” in the relationship after talks with Jacinda Ardern this morning.

By ANZAC Day 2023, there will be options for an automatic path to citizenship for the citizens of both countries and Albanese will ask electoral authorities to consider giving New Zealanders voting rights within a year.

Details were only emerging as HUGOvision went to press but the developments look to be the most significant improvement in the rights of NZers in Australia in at least two decades. It also follows years of reduced rights under the CER relationship for NZers in Australia who do not become citizens.

The announcements followed an intense week of engagement in Australia, with a large contingent of NZ Cabinet Ministers in Sydney and the first Australia-NZ Leadership Forum since 2019.

Ardern committed an additional week out of NZ to lead a trade mission of more than 30 tech, food, and high-end clothing and manufacturing brands to Melbourne and Sydney. The time appeared to be well-spent from our observations on the ground.

Having both spent time together at the NATO summit in Madrid, Jacinda Ardern and Anthony Albanese were in synch on Russia’s invasion of Ukraine, which Ardern called “morally bankrupt” and Albanese called “bullying” of a kind the international community could not afford to tolerate.

The two administrations are, however, using distinctly different language on China. While Australia’s Foreign Minister, Penny Wong, urged China to show “restraint” in the Pacific region, Ardern used a speech at the Lowy Institute in Sydney to urge against a “self-fulfilling prophecy”, where equating China’s strategic ambitions with Russia’s could encourage Chinese bellicosity. **The Ukraine war was not a contest between democracy and autocracy, Ardern insisted.**

She is arguing that China’s desire to retake Taiwan is fundamentally different – and would engender a different global reaction because of the widely accepted ‘one China’ policy – to the Ukrainian invasion.

## Australian opportunity

Both governments are turning their minds to the **40th anniversary of CER** next year and would like to identify meaningful advances to mark the occasion.

Among ideas being tossed around from the NZ side:

- **More seamless trans-Tasman travel**, where all but bio-security and Customs checks would be completed online prior to arrival at an airport.
- An **Australasian “coastal shipping”** policy, whereby both countries’ governments would back trans-Tasman shipping services to help overcome the problem both countries can expect to continue to experience in attracting global providers to this end of the world.
- A **carve-out for Australian VC funds** to allow them to invest above the current 20% threshold for investment in foreign firms. Above that level, such investment becomes tax-inefficient. A carve-out to eliminate that barrier for trans-Tasman investment is thought likely to further accelerate Australian capital market interest in emerging NZ companies. There is **significant Australian investor interest in NZ**, particularly in scalable tech companies, whose credibility and potential appears to be taking off.

This last suggestion is embryonic but creating considerable interest at a high political level.

Ardern also referenced the desire for NZ and Australian airlines to reach a mutually agreed approach to aviation biofuels. Air NZ and Singapore Air have been working together on this, and Ardern said she had recently met the Qantas CEO to plead the case for a “level playing field” in aviation regulation. She stopped short of proposing Australasian mandating of aviation biofuels, but expressed concern that any airline adopting pro-climate policies could face being undercut by competitors using cheaper fuel types. Air NZ will argue that a national biofuels strategy across all transport modes is more likely to support the adoption of climate-friendly fuels for aviation.

The thinking is clearly not well-advanced.

Other areas of possibility include **harmonisation of standards for data centres** on both sides of the Tasman.

The two governments are considering a “2+2” formula to **formalise joint meetings of the NZ and Australian foreign and defence ministers**, to better align security, defence and diplomatic efforts.

Both governments are willing to put serious effort into making the **growth of businesses owned and run by indigenous people** a part of the trade agenda.

Indeed, the week of meetings in Australia – held in Naidoc week, akin to a week-long version of Matariki for its acknowledgement of first peoples, was notable for the extent to which acknowledgement of first people has become an ingrained part of Australian corporate and political ritual.

## Would Meridian invest in green hydrogen?

As the joint Meridian/Contact Southern Green Hydrogen initiative takes shape, one question is whether either would invest in such a plant themselves.

**For Meridian, there is a certain potential logic**, as long as the company is convinced there is a commercially viable prospect in such a large capital outlay in an industry that is, at best, nascent globally.

For a start, as the primary supplier of electricity to Rio Tinto-controlled NZ Aluminium Smelters, Meridian may prefer **some degree of vertical integration**. As a shareholder, it would presumably become less of a price-taker than it has been forced to become for the smelter, many times in the past.

By partnering with either Fortescue or Woodside – the two Australian firms chosen to run off against one another in the project’s final partner selection phase – there would be some level of **technology and commercial de-risking**.

With a 51% shareholder in the Crown, there is perhaps greater likelihood of being willing to take a punt on what would clearly be an NZ Inc-scale project. However, such support may be more forthcoming under a Labour or Labour / Green government. Current Energy Minister Megan Woods has championed green hydrogen.

The logic for Contact is probably less compelling, unless it were to face significant exposure to the load for a green hydrogen plant.

Sceptics who may be inclined to see the project as a stalking horse for improved commercial terms with the smelter and to persuade the government against pursuing the Onslow pumped hydro scheme should probably think again.

Both companies are putting serious coin behind the initiative and are at the point now of **giving Woodside and Fortescue a good sense of wholesale power price expectations**.

Those numbers are **said to be “challenging”**, but so far not offputting. Current thinking assumes that about 20% of total revenues come from reducing production and selling electricity back into the grid during times of shortage and high wholesale power prices. The project owners would look for compensation from the market for such flex.

Sites are being examined, and some land is understood to have been purchased. The Tiwai Point peninsula may yet be favoured.

However, the news may not be as clearly positive for SouthPort. Assuming the plant would have a

significant export component, a FPSO-style floating offshore platform is more likely than port berthing.

The Meridian/Contact hydrogen team was **in Perth this week briefing prospective partners**, with a decision due in about a month.

## Luxon on abortion

Christopher Luxon has put an important line in the sand with his unequivocal commitment to leaving NZ abortion laws as they are.

However, one could be forgiven for thinking that he had made some monumental blunder, given the somewhat **shrill efforts from political opponents to paint this promise as fungible**.

In our view, while the decision not to try to alter access to abortion is at odds with Luxon’s stated personal beliefs, the decision is consistent with his underlying recognition that National needs to be more in synch with NZ’s future voters than its traditional constituency.

This puts him in invidious positions, and will continue to do so. A recent example is his defence of his decision to learn Māori and unwillingness to push back at the extent of Māori language and practice now evident in NZ society, despite growing evidence of backlash bubbling under, particularly among older voters.

Our pick is that Luxon will stick to his abortion position and **will try to avoid engaging in the uglier parts of the so-called “culture wars”**.

If he does, he risks alienating liberal, National-leaning swing voters.

He also believes National’s best political opportunities lie in disciplined pursuit of the cost of living “crisis”, as it has named the current inflation spike, and on poor policy execution by the government.

We believe that the **worrying trends in standards of primary and secondary educational achievement will provide a second, powerful political string to National’s bow**.

National neither needs, nor is likely to profit from, stirring up the white-hot emotion that typically accompanies issues of race, reproductive rights, and the role of religion in politics – an area where National is vulnerable because of the relatively large number of ‘born-again’ Christians in its caucus.

Luxon’s swift censure of Simon O’Connor for praising the US Supreme Court’s decision on Roe vs Wade reflects this sensitivity.

### 501s deal

The NZ and Australian PMs have reached an understanding on the vexed question of Australia deporting ‘501’ criminals to NZ. Albanese says ministerial discretion will be exercised on a “commonsense” basis to ensure deportees who have no connection to NZ are no longer deported. This is a huge law and order win for the Ardern government.



In short, **National does not need to open contentious new fronts when economic issues are playing so strongly against the government.** Conversely, government supporters are motivated to try to create such divisive arguments, knowing they are an areas of potential vulnerability for National.

## The future of NZ 'free' trade deals

The outcome of the NZ-EU free trade agreement negotiations – so disappointing to the beef and dairy sectors – is **hard not to interpret as a turning point in NZ's long-held purist approach to trade deals.**

The pursuit of "high quality" FTAs has been a baked-in element of NZ trade negotiation since CER was signed in 1983 and the first GATT round was concluded in the mid-1990s.

Those high standards, during a period of 30 years or so where the global tide ran in favour of trade liberalisation, are the reason for being unable to sign an FTA with the US, India, or the Gulf States, to name but three stalled initiatives.

So the apparently 11th hour change to the negotiating mandate for officials in Brussels, to allow a weaker outcome on key exports in order to get a deal at all, is highly significant.

In our assessment, it reflects the realpolitik that the EU's intransigently protectionist approach to its farmers. That is not going to change.

But on top of that, the geo-political environment is more mercantilist, and increasingly based on evidence of political and security alignment.

Jacinda Ardern's presence at the Madrid NATO summit gave the PM **as good an opportunity to demonstrate political and security alignment to EU leaders as any NZ PM has ever had.**

Bi-lateral engagement on the sidelines of NATO likely helped NZ to conclude that the FTA available Brussels was close to as good as it was going to get.

There is definitely domestic politics in the decision not to stay at the crease for dairy and beef exporters. A key aim of Ardern's first post-covid trip to Europe was to conclude an EU trade agreement. Failure would have played poorly. But it is also fair to assume that, had NZ dug in and sought to prolong the bargaining, the EU-NZ FTA might not ever have emerged.

The **important question now is what this signals for other potential trade agreements**, and whether what would once have been seen as unduly weak deals might be countenanced with the likes of the US or India. As observed in HUGOvision two issues

ago, the US-led Indo-Pacific Economic Framework is notable for the way it is explicitly pitched as "not a trade negotiation", but an attempt to write the rules under which friendly nations in the region trade with and invest with one another as part of a broader strategy to contain China.

## EU deal detail

The deal gives duty-free access on 97% of NZ's current exports to the EU; with over 91% being removed the day the FTA comes into force. This includes immediate tariff elimination for all kiwifruit, wine, onions, apples, mānuka honey (its name protected under geographic indicator rules) and manufactured goods, as well as almost all fish and seafood, and other horticulture products.

The agreement removes tariffs worth about \$46.5m on sales of kiwifruit, which topped \$1b last season.

However, agreement leaves the EU market 98.5% closed to key NZ dairy products, owing to a combination of very small quota volumes – relative to the market size – and trade-restrictive in-quota tariffs.

Likewise, the beef sector has only a 10,000-tonne tariff-free allowance into a market of 6.5m tonnes.

The government is extremely sensitive to criticism of the FTA by the dairy and beef sectors. A report on the Farmers' Weekly website suggesting that comments by the PM had led to a weak deal caused a **flurry of damage control** at the highest levels of government.

Meanwhile, the **government's stocks with rural and regional communities continue to suffer.** A Taxpayers Union campaign against three waters reform is touring the provinces to large crowds, and Beef & Lamb NZ this week was deeply critical of the government's "refusal" to slow down the pace of environmental regulatory change despite concerns in the sector that farmers are not coping.

Elsewhere, the **Climate Change Commission** advised it expects it will be possible to have a simple system to put a price on agricultural emissions at the farm level outside the emissions trading scheme by Jan 1 2025, with considerable effort. It has also **advised the government to put a carbon price on synthetic nitrogen fertiliser as soon as possible.**

## Political donations reform

Proposed reforms will require disclosure of identities for any party donations over \$5,000; the number and value of party donations under \$1,500 not made anonymously; the proportion of total party donations that are in-kind; and loans to candidates from unregistered lenders. ■

## Recession indicators mount

The **ANZ-Roy Morgan Consumer Confidence Index** slipped 1.8 points in June to 80.5 to sit just above its record low. A net 21% of households thought it was a bad time to buy a major household item, a 9-point increase on May. Consumers' annual inflation expectations jumped from 5.1% to 5.6%.

A net 62.6% of respondents said they expected economic conditions to worsen over the next 12 months, versus a net 55.6% negative in May, in the latest **ANZ Business Outlook**. A net 9.1% expect their own businesses to experience a decline over the next 12 months, versus a net 4.7% negative in May. Investment intentions slipped, with a net 3.2% expecting to pull back on investment versus a net 8.6% intending to increase investment in May.

The **Westpac McDermott Miller regional economic confidence survey** showed all regions were pessimistic, with **net confidence in Auckland falling from -6% to -37%**.

The NZIER QSBO was also dismal but appeared to show some stabilisation. The **headline confidence index came in at minus 62% in seasonally adjusted terms**, a touch healthier than the minus 65% level in March 2020.

The **'own activity' measure improved slightly to a net 1% reporting a decline, compared with a net 7% in the March quarter**.

But the outlook for the **current quarter worsened**, with a net 11% of firms expecting their own activity to decline, a turnaround from the March quarter when a net 5% were expecting improved activity. **A net 76% of firms are expecting their costs to increase** this quarter and the same level expect to be able to raise their prices.

Despite this, the number of **business failures continues to track below pre-pandemic levels**. Chapman Tripp said the number of companies placed into bankruptcy or liquidation was still down by about 50% on levels seen in 2019.

One of the key drivers of this was the softer enforcement approach taken by Inland Revenue during the pandemic.

This is **likely to be softening the numbers, which also do not reflect business owners who simply close operations and "walk away"**.

Stats NZ's annual enterprise survey for the 2021 financial year, compared with 2020 found total income increased \$25.3b (3.5%) to \$757.5b. Total expenditure increased \$96m (0.01%) to \$654.4b. Businesses earned \$103.3b in surplus before income tax – up \$24.5b (31.1%). Total assets increased \$128.8b

(5.4%) to \$2.5t with a 4% return on assets – up by 1 percentage point.

## Housing and rental market

**Some of the fundamentals driving house prices are changing**, which may stop investing in housing being a one-way bet, said the Reserve Bank's new chief economist **Paul Conway** in his first public speech. Among the changes are that many NZers are heading overseas now the borders have reopened, but immigration isn't likely to return to pre-pandemic levels quickly.

The number of **properties listed for rent on Trade Me reached an all-time high** in May with a 12% increase when compared with the same month in 2021. The Wellington region had a 45% year-on-year increase and Auckland 16%. In May, the national median weekly rent fell by 1%, when compared with the month prior, to \$575.

**A record 51,015 new homes were consented** in the year ended May 2022, up 17% from the year ended May 2021, Stats NZ said. **Whether all will be built is becoming a matter of debate**.

## Labour market

**Wages paid by small businesses** rose 5.3% in May from a year earlier with the number of jobs provided rising 4.1% in May after a 2.4% increase in April, according to Xero's customer data. The largest wage increases were in construction, up 6.6%, manufacturing, up 5.6%, and hospitality, up 5.4%.

Infometrics said May figures showed signs of a tight labour market nearing capacity. Total earnings were up 17% in the month, with monthly earnings per filled job reaching \$6,035. Earnings per job also grew 7.1% on average over the last 12 months. Filled job numbers increased 2.8% in May, with 6,900 more filled jobs than in April. The hospitality sector was a large contributor to this growth with 2,300 more jobs in the sector in May compared with April.

## Lending rate cuts

**Kiwibank's** one-year fixed rate home loan for borrowers with equity of 20% or more has increased from 4.85% to 5.19%, and its two-year fixed rate from 5.19% to 5.69%. The one-year fixed home loan rate for low-equity borrowers is 6.45%, up from 6.1%. The bank's one-year term deposit rate for \$10,000 to invest has gone from 3.3% to 3.75%.

Against that trend, **ANZ is cutting its two-year fixed home loan special rate** from 5.8% to 5.45% following recent wholesale rate movements.

The bank is also cutting its standard two-year rate from 6.4% to 6.05%. ■

## Primary Sector

**Dairy prices** dropped unexpectedly by an average 4.1% in this week's GlobalDairyTrade auction. The fall appears to be consistent with weakness in a variety of global commodities, including oil, copper, and wheat, apparently reflecting central banks' efforts to slow global growth and combat inflation.

**Synlait Milk** raised its forecast payout for this season to \$9.50 per kg/MS, up from an earlier forecast of \$9.

**Nestlé Health Science** is seeking full control of honey and health products manufacturer, The Better Health Company.

The **2022 kiwifruit harvest** was completed with volumes expected to be below last year's record of more than 177m trays due to labour shortages, crop loading and poor weather.

**Greenfern Industries** secured an agreement to supply its Taranaki-grown medicinal cannabis with a two-year offtake order.

**Cannasouth** reported revenue of \$1.3m from its manufacturing subsidiary Midwest Pharmaceuticals but a loss of \$2.9m for the year ending Dec 2021 after losing \$3.5m in 2020. Cash on hand was \$5.5m.

The government says it has a high degree of confidence that a case of **mycoplasma bovis** found on a mid-Canterbury dairy farm isn't widespread. The investigation comes weeks after an announcement *m. bovis* had all but been eradicated.

High summer water temperatures are forcing **NZ King Salmon** to close three of its four fish farms in Pelorus Sound, although it hopes to reopen them as hatcheries in the future for a planned cooler water farm in Cook Strait. The company denied Australian media reports that it was assessing the market for a possible takeover.

NZ's largest poultry supplier **Tegel** said it was raising its prices by about 10%.

**Fonterra** confirmed the finalisation of the strategic partnership with NZX and the European Energy Exchange EEX with each taking a stake in Global Dairy Trade.

## Energy and resources

NZ's probable **oil and gas reserves** fell by an estimated 5.1% and it potentially has about 10 years left on current demand-and-supply patterns, according to updated **MBIE** data. 2P gas reserves stood at 1967 petajoules (PJ) at Jan 1, down from 2074 PJ a year earlier. This equates to a reserves-to-gross-production ratio of approximately 10 years, based on assumed demand of 200PJ a year.

The Electricity Authority formally ruled that **Genesis** and **Contact Energy** acted rationally in the events that caused the electricity blackouts on Aug 9 last year but said **Transpower** had erred in declaring a scarcity pricing event.

**Vector** will pass on an expected credit of \$30 each to Auckland electricity account holders, as payment of this year's annual Loss Rental Rebate surpluses.

**Transpower** released its shortlist for consultation on development plans for grid investment through to 2035.

## Banking, finance and insurance

Banks are sailing much closer to the Reserve Bank's limit on mortgage lending to those with less than a 20% deposit, with **ANZ** and **ASB** pausing such lending.

**KPMG's** latest review of the banking sector showed bank profits for the three months ended March rose 8.1% on the previous quarter to a record \$1.74b and 6.2% higher than the same quarter a year ago. Much of the increase came from a 2.1% rise to \$2.99b in net interest income. Banks trimmed operational expenses by 1.9% and the level of costs to income was at its lowest level in five years.

The **KMPG** report said house lending fell to the lowest level since June 2020 to \$17.6b from \$24.7b in the previous quarter.

The **RBNZ** issued a formal warning to the **BNZ** under anti-money laundering legislation for failing to report the correct location for around 50,000 domestic physical cash transactions, owing to a coding error.

## Telecommunications, media and entertainment

A group led by **HRL Morrison & Co** has agreed to buy **FiberLight**, a fibre network company in the US reportedly worth US\$1b.

**Discovery NZ**, the owner of Three and Newshub, had a \$34m loss in 2021 due to a larger wage bill and paying an \$8.2m service fee to its parent company. It made a \$10.2m profit in 2020.

## Wholesale and retail

The government unveiled a new **code for grocery sector conduct** for public consultation.

**Costco** has all but confirmed that it is seeking to open mega-stores in Christchurch and probably in Wellington's Hutt Valley, with numerous sites in Christchurch under consideration, including possibly near Rolleston because of its new motorway connection. A second Auckland site would be considered in due course. The success of the first site,



in West Auckland, will determine pace of expansion. **NZTE** has been highly active in its efforts to attract Costco to NZ, recognising both the opportunity created by focus on supermarket sector competition and the potential for Costco's presence in NZ to improve competitive supply of a wide variety of goods, well beyond groceries. Costco would be likely to compete with **The Warehouse** and the **Mitre 10/Bunnings** chains.

Fledgling online grocery retailer **Supie** is seeking \$5m in a crowd-funding capital raise to expand in Auckland.

### Construction and infrastructure

The government said its preferred option for **Wellington's transport infrastructure** includes light rail connecting Wellington's central train station to Island Bay, an extra tunnel through Mount Victoria and rearranging roads around the Basin Reserve. If the light rail option was too expensive it would explore using buses instead.

Rising building costs and supply chain delays prompted **Kāinga Ora** to impose a hiring pause.

The government is conducting a review of defence priorities. While the 2019 defence procurement strategy will continue to guide thinking in the meantime, the focus will be on capacity to continue to respond to regional, including natural and climate change emergencies.

### Courts, legal and regulation

The high court ordered the **New Image Group** to pay \$1.5m for breaching the Takeovers Code in relation to the 2013 acquisition of New Holdings with a selective offer to some shareholders.

Property development company **Du Val** lost its high court appeal to overturn the Financial Markets Authority's orders to pull online ads that it deemed misleading or deceiving to investors.

**Tourism Holdings'** acquisition of Apollo could go ahead if Australian and NZ competition regulators approve the campervan rental companies' proposal to sell off some of their assets.

**Family First** is not eligible to be a registered charity, the supreme court ruled.

**Ampol's** sale of fuel retailer **Gull NZ** to Australia's **Allegro Funds** was approved by the **Overseas Investment Office**.

The **Law Commission** suggested a public class action fund as part of reforms into how class actions are run and funded.

**IRD** released its compliance focus on offshore tax transparency, together with guidance to assist tax

agents in complying with the international rules.

### Transport and logistics

**Mitsubishi's** annual vehicle sales outstripped **Toyota** for the first time since 1987 with the latter more seriously hit by supply chain issues.

### Technology and IT

**Datacom** reported revenue of \$1.45b for the year ending March 31, up from the \$1.41b in the previous year. Net profit after tax was down to \$28m from \$35m the previous financial year attributed mainly to greater leave provisions.

Carbon footprint calculating SaaS firm **Cogo** is planning a series A round to raise up to US\$30m. The Wellington-based firm targets banks with a service that allows customers to understand how their spending behaviour affects their carbon emissions.

AI avatar developer **Soul Machines** is well advanced in a further round of capital-raising in the US.

### Travel and tourism

**Air NZ** announced increased frequency of flights to LA and Seoul.

The Department of Internal Affairs said demand for passports has increased by 400% with 49,000 current applications facing delays.

### Service industries and healthcare

**AFT Pharmaceuticals** shares jumped after announcement of a joint venture with ASX-listed ecommerce firm RooLife on the Chinese online platform Tmall Global to sell its Maxigesic pain relief product.

### Capital markets

June was a record month for debt market trades on the stock exchange as investors sought safer assets and higher yields. There were 5,322 trades on the **NZ Debt Market** in June – the most ever recorded – worth \$228m, the highest dollar value since 2008. There have already been 15 debt listings in 2022, adding \$3.4b to the market. These listings have an average yield of more than 5%, compared to 1.75% in June last year.

### People

**My Food Bag** co-founder and former chief executive **Cecilia Robinson** is to rejoin the board in place of **Chris Marshall** who resigned this month.

Former primary industries minister **Nathan Guy** was appointed chair of the Meat Industry Association following the retirement of John Loughlin. 

## LEGISLATION

## Legislation update

Parliament sat through most of June ahead of a three week winter adjournment in July.

The Appropriation (2021/22 Supplementary Estimates) Bill and an associated imprest supply bill passed.

- *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](http://www.thehugogroup.com)*

## Bills introduced

**Aotearoa New Zealand Public Media Bill** - Introduced June 23. Establishes combines TVNZ and RNZ as Aotearoa New Zealand Public Media.

**Electoral (Māori Electoral Option) Legislation Bill** - Introduced June 21. Would allow transfer between the Māori and general electoral rolls almost at will. Mirrored by the **Electoral (Right to Switch Rolls Freely) Amendment Bill**, a member's bill in the name of Rawiri Waititi, introduced June 9.

**Sale and Supply of Alcohol (Harm Minimisation) Amendment Bill** - Member's bill from Chlöe Swarbrick introduced June 30. Abolishes appeals on councils' local alcohol policies.

**Smokefree Environments and Regulated Products (Smoked Tobacco) Amendment Bill** - Introduced June 21. Significantly limits the number of retailers able to sell smoked tobacco products; prohibits sale of smoked tobacco products to anyone born on or after Jan 1 2009.

## Bills in progress

**Canterbury Regional Council (Ngāi Tahu Representation) Bill** - Introduced Nov 10 2021. Reinstates Ngāi Tahu representation on the Canterbury Regional Council. *Committee stage completed June 29.*

**Forests (Legal Harvest Assurance) Amendment Bill** - Introduced May 18. *First reading June 21 with all parties supporting, referred to the Primary Production Committee.*

**Medicines Amendment Bill (No 2)** - Introduced June 7. Amends the Medicines Act to allow for fourth and further doses of covid-19 vaccines. *Reported back June 20 with little change, second reading, committee stage and third reading all completed on June 21 with all parties in favour.*

**Overseas Investment (Forestry) Amendment Bill** - Introduced May 31. Reverses the 2018 special forestry test and reapplies the Act's 'benefit to NZ test' to overseas investments that will result in converting land to production forestry. *First reading June 7 with all parties in favour and sent to the Finance and Expenditure Committee with an Aug 1 report back date.*

**Water Services Entities Bill** - Introduced June 22.

The bill is the first in a suite of legislation to implement the three waters reform. Creates the framework for four publicly-owned water services entities. *First reading June 29, opposed by National and Act. Sent to the Finance and Expenditure Committee with a Nov 11 report back.*

## Bills passed/defeated

**Support Workers (Pay Equity) Settlements Amendment Bill** - Introduced June 21. Passed through all stage under Urgency on June 22 with the Greens opposed.

**Commerce (Grocery Sector Covenants) Amendment Bill** - Introduced May 19 under Urgency. Amends the Commerce Act adding a new section 28A that will apply to covenants that have the purpose or effect of impeding the development of land or the use of a site for a grocery retail store. *Reported back June 16 with minor changes. Second reading June 21, committee stage June 23 and third reading on June 28 with all parties in agreement.*

**Financial Markets (Conduct of Institutions) Amendment Bill** - Introduced Dec 11 2019. Amends to the Financial Markets Conduct Act to create a new regulatory regime for financial institutions and their intermediaries with a principle of fair conduct and associated duties and regulations. *Committee stage completed on June 21 and third reading on June 28 with National and Act opposed.*

**Financial Professional Services Trading Advice Transparency Bill** - Bill in the name of National MP Barbara Kuriger drawn from the ballot and introduced on Oct 21 2021. *Voted down June 8, only Labour opposed.*

**Local Electoral (Advertising) Amendment Bill** - Introduced June 7. Allows local council candidates to use email addresses, PO box or phone numbers, or links to an internet page on electoral advertising instead of their residential or business address. *Reported back on June 22 and passed through all remaining stages on June 28 with no opposition.*

**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. The bill was referred to a specially formed select committee: the Pae Ora Legislation Committee. Reported back on April 14 with mainly technical amendments and the thrust of the bill intact. Second reading completed on May 5 with National and Act opposed. *Committee stage completed on June 2 with only minor changes including making a national rural health strategy mandatory. Third reading on June 7 with National and Act opposed.*

**Te Ture Whenua Māori Bill** - Member's bill in the name of National MP Joseph Mooney introduced Sept 23. Proposed to repeal and replace the current law relating to Māori land, in line with proposals put forward by the last National government. *Voted down June 8 with National and Act in favour.* 🇳🇿

