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Assessing the economic and political environment in New Zealand

August 5 2022

July was a good month for the government

Labour showed some resilience in July, with the PM's overseas travel lifting her personal and the government's approvals ratings. At the same time, unforced errors by Christopher Luxon dented National, whose strong run-up in the polls appears to have petered out. On paper, at least, the next election still looks very tight.

But the months ahead look much harder

However, the PM is back home now, her time on the international stage replaced by the grind of domestic politics, which remain dominated by a combination of low consumer and business confidence, high inflation and rising interest rates, and a range of reforms that are either going poorly or are not well accepted. The next months are unlikely to be as kind as last month.

The Greens' self-inflicted damage

The rearguard action by the left and youth wings of the Green Party to force a vote on the co-leadership of James Shaw may be looked back on as the moment that Labour lost the 2023 election. Having sat rock-solid on 10% support since the 2020 election, the internal divisions created by ousting the party's most appealing centrist politician are unlikely to go unpunished. Polls in August will be instructive on this.

Three waters bogged down

The passage of the three waters legislation through select committee hearings and the House promises weeks, if not months, of difficult headlines for the government. It will proceed with the reforms, but the co-governance arrangements and the reality that council 'ownership' of the four water entities is in name only will be the focus of increasingly strident opposition.

Flood insurance reform on the back-burner

The final version of the National Adaptation Plan for climate change has lost all references to the UK's Flood Re insurance scheme, which was floated in the draft plan. The proposals alarmed both officials and the insurance industry, especially as EQC minister David Clark had wanted a swift implementation. Options by the end of the year is now the timetable.

Unemployment rises

A slight rise in the unemployment rate for the June quarter was a surprise and has sparked debate about whether a less aggressive path forward for monetary policy may become justified. It is too early to call.

Cuddling up to China

At a time of high tension between the US and China, the mood at the China Business Summit in Auckland this week was remarkably warm. The PM and the new Chinese ambassador laid out carefully conciliatory positions that drew strongly on old tropes that have underpinned the relationship since before the emergence of a far more autocratic regime in Beijing.

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POLITICS AND POLICY

July was a good month for the government

On the basis that the Roy Morgan poll for the month of July is broadly on trend with other recent polling, July was a good month for the government.

The Prime Minister wrapped up a European FTA and led a successful trade mission to Australia, furnishing local media with images and stories of a leader who still attracts adoration offshore.

Christopher Luxon was also offshore during July, but ended up being drubbed for allegedly talking NZ down and calling its businesses "soft".

For the swing voters who decide elections, the gloss continued to come off Luxon, whose political inexperience is showing too often for National's comfort. This week the party is in a tangle over tax policy.

Events at the end of July - the absurd leadership ructions in the Greens and the flurry over Luxon holidaying offshore while his team posted social media clips of him campaigning in the regions - came too late to have much impact on this poll.

As a result, the Greens registered a slightly improved 10.5% support level, with Labour slightly improved at 34% - its highest level of support in this poll this year.

National, at 35, fell four points while Act on 11% support, was up 1.5 points. At 4%, the Maori Party continues in theory to be in a king-making position since neither National/Act (46%) nor Labour/Greens (44.5%) is polling well enough to decisively project a majority coalition.

NZ First remained at 1.5%. TOP continues to bubble at 2.5%.

August will be harder

With the heavy international "reconnection" travel schedule out of the way, Jacinda Ardern returns to a domestic political agenda that is fraying, and a public mood that is both pessimistic and irritable.

A range of domestic reforms are going poorly or threaten to:

- The three waters legislation, currently before select committee, has attracted more than 88,000 submissions and political focus is all on the co-governance arrangements.
- This is playing into rich political territory for the Opposition, which is making much of other moves to empower Maori in public life that can be argued as anti-democratic and politically divisive.
- The polytech reforms are a slow-moving train wreck, with mainstream media increasingly

focusing on the fact that Te Pukenga's new leadership has scrapped its earlier integration plan - for implementation from Jan 1 next year - and is frantically redoing its budgets.

- A range of other unpopular or contestable reforms is progressing through the House, notably the creation of a children's services audit that is no longer independent of Oranga Tamaraki and the data collection bill that has alarmed privacy advocates and former government statisticians.
- The deep political embarrassment of the cobbled together 'cost of living payment' policy for this year's Budget, which is paying \$350 windfalls to unknown numbers of taxpayers who are either living offshore or deceased. This simple hip pocket issue is a gift to the Opposition on two of its primary lines of attack: 1) that the government executes policy poorly; and 2) that it is profligate with taxpayers' money.
- The ongoing battle against inflation, in which the government's pick for Reserve Bank governor, Adrian Orr, is under another sustained attack for the conduct of monetary policy during the pandemic and the scale of the subsequent unwinding.
- House prices continuing to fall, dampening consumer demand and business sentiment while creating potential for a classic construction sector boom-bust cycle.
- Institutional weakness in key policy agencies, including at the Reserve Bank, the Commerce Commission and the immigration service are taking an additional toll on business confidence.
- While Labour needs a strong Green party to have a hope of forming a government in 2023, the Greens' leadership issues are more likely to weaken the Greens going into next year.

This is a rather toxic combination of challenges for a government that is looking increasingly tired and arrogant.

In this environment, the challenge for Luxon and National may be no more than to stop producing headlines for the wrong reasons.

If governments lose elections rather than Opposition parties winning them, the pre-conditions for a continuation of the government's entrenched downward slide are clear.

The Greens' anti-democratic streak shows

Green party activists who instigated the attempted coup against co-leader James Shaw are trying to

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make a virtue out of the self-destructive episode, claiming it is a sign of the party's vibrant democratic culture.

Certainly, it can be argued that the Greens have uniquely effective constitutional arrangements for shooting themselves in the foot.

To the public, it looks like a shemozzle that 25% of delegates to the party's annual conference are able to destabilise the party by putting Shaw in limbo until a leadership vote next month. He will win it, but he is weakened.

Whatever message the party's hard left may believe it was sending to the government about the Greens' coalition demands next year is diluted by the almost inevitable fall in support the party will suffer as a result.

This exposes a fundamentally anti-democratic instinct among this part of the party, which could be seen in public comments claiming that the Greens could not afford to appeal to the centre for support because that would not allow the party to be radical enough on climate change.

For such a position ever to deliver political influence must presume that radical solutions can be achieved. But democratic politics tends to require compromise and consensus.

By exposing a preference for Opposition and support-sapping radicalism, the Greens may have decisively tipped the 2023 election in National's favour.

Orr attacks

A NZ Initiative report critiquing the role of central banks around the world in the current inflation breakout was sufficiently pointed in its criticism of the RBNZ to be widely reported as another attack on the governor, Adrian Orr.

Particularly significant was the fact that his predecessor, Graeme Wheeler, was an author.

While neither Wheeler nor Orr have been popular governors, the two are chalk and cheese in their operating styles. Orr is highly exposed for his active pursuit of te ao Maori concepts in explaining the RBNZ's role to wider audiences and for attempting to find a role for the central bank in assessing financial system risks posed by climate change.

In most respects, including response to the pandemic, Orr's leadership has not looked out of step with central bank peers globally.

However, there is a global debate raging over whether many central banks are embracing distracting or unnecessary scope creep - a worthy topic for consideration and policy alteration. What distinguishes the debate in NZ is the personal animosity towards Orr - who has not helped himself with a prickly defensiveness when challenged among a range of influential economic and business figures.

Three waters bogged down

The government will plug on with its three waters agenda, come what may. But with several weeks of select committee hearings ahead, it shows every sign of losing the public even further over this issue.

While there is very little argument about the desirability of having high quality drinking, waste and stormwater infrastructure, consensus ends there.

More problematically for the politics of the issue, the focus of opposition is mostly on the governance and ownership structures proposed.

The case for Maori co-governance has not been made convincingly and the Regional Representative Group boards for the four entities complicate governance arrangements unhelpfully.

While the Taxpayers' Union is drawing a long bow by claiming it has grounds for a complaint to the Commerce Commission about misleading language used by officials, it makes strong points about the highly compromised form that ongoing local council "ownership" of three waters assets takes.

While councils will still own shares in the four new entities, they will effectively have none of the normal rights of shareholders. It is ownership in name only.

While this may be a reasonable price to pay for central government to become funder and ultimate guarantor of regional water infrastructure, much of which is in disrepair, the argument for the reforms has simply not been convincingly made.

As a result, the issue has become a bellwether among New Zealanders

concerned that the pendulum is swinging too fast and too far in favour of Maori influence on public policy and life. The result is ugly politics, but this will be a major election year issue.

Taking a NAP on climate adaptation

James Shaw had promised a more meaty final version of the national climate change adaptation plan (NAP), but the document was very similar to

Manji for Ilam?

Raf Manji, the TOP party's new leader, is tossing up whether to run in Ilam now that Gerry Brownlee is to contest the next election as a list-only MP.

Manji ran a creditable second there in 2017, although the seat is now held by Labour.

From barely showing in the polls, TOP is consistently around 2.5% in recent times, and might expect to benefit from the Greens' difficulties.

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the draft.

The "plan" consists of a very comprehensive compilation of existing government initiatives across a very wide range of areas.

Most significant will be the impact of more directive central government guidance to councils to discourage development of flood-prone areas.

This will be achieved through LIM notifications and the spatial planning elements of resource management law reform.

The early enthusiasm for a government-directed flood insurance scheme has been tempered. There is no mention of the UK's Flood Re scheme in the final plan, whereas it was notable as the only new policy idea in the draft.

Instead, the government will take to the end of the year to assess options to ensure that flood insurance remains available at an appropriate level, particularly to low income householders. It has accepted insurance industry advice that landowners cannot insure their way out of risks that will, over time, be more likely than not to be realised.

Among options to be considered is the potential to develop insurance products that would provide mitigation funding on top of repair. For example, raising houses above the level of flood waters or funding stop banks.

ComCom on building supplies

The Commerce Commission produced a draft report on building material supply in NZ that stopped well short of recommending government interventions.

Jarden analysts described the report as "benign" and positive for Fletcher Building, the primary butt of political and public protests that the NZ building products sector is insufficiently competitive.

Irrespective of the quality of its analysis, the report will entrench a widely held sense that the commission is institutionally inclined not to challenge NZ's tendency for highly concentrated provision of many essential goods and services.

China relations

While China fumed over US Speaker Nancy Pelosi's visit to Taiwan, relations with NZ were as warm as could be imagined at Monday's China-NZ Business Summit in Auckland.

It was a far cry from the criticisms levelled at Jacinda Ardern from Beijing after her visit to the White House.

Yet the position outlined was, in a sense, a stale recitation of the "five firsts" narrative that has been a

staple of the way China and NZ have described their relationship for much of the last decade.

It's almost as if this has become a "safe" place for the relationship, where China and NZ remind one another of NZ's support for China's accession to the WTO, the 2008 FTA, and early contacts back to the days of Rewi Alley.

While Ardern mentioned human rights concerns in Xinjiang and Hong Kong in passing, she chose also to tick the box on NZ's acceptance of the 'one China' policy that most countries subscribe to and accepts China's claim to Taiwan.

Ardern did not explicitly mention either the US, the contest for influence in the Pacific, or the South China Sea. The speech was clearly carefully crafted with input from MFAT and indicates that NZ will continue to try to walk a more conciliatory line with China than Australia or the US.

This is arguably in NZ's best interests and can be defended as "keeping lines of communication open" but is capable also of being portrayed as relatively weak on an increasingly autocratic Chinese regime.

Political party funding

Cabinet looked at an urgent law change to close a legal loophole allowing political parties to funnel money through shadow entities without public declaration. The legal gap was exposed by a recent high court decision on the NZ First Foundation case, which NZ First has sought to portray as an exoneration.

Auckland mayoralty

Leo Molloy has lost a second key adviser in a month. His communications head Kate Gourdie has resigned, following campaign chair June McCabe.

Campaign manager Matt McCarten indicated that Molloy's media engagement will be curtailed to reduce the potential for embarrassment.

"We need to work with Leo on how he communicates to the wider audience and managing the media opportunities will be less of a priority," McCarten said.

Climate change polichy

The Climate Change Commission wants the government to raise cost contaminant trigger prices and cut carbon units available for auction. It also wants greater clarity on forestry offsetting rules to ensure emissions reductions.

The government indicated it would move to tighten up and reduce the allocation of free units under the ETS.

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DOMESTIC ECONOMY

Is monetary policy working?

Unemployment rose slightly to 3.3% in the June quarter, against expectations that it might fall below 3%. The result has begun a debate about whether the sharp increases in the Official Cash Rate are starting to bite already and could lead to either a slower pace of monetary tightening or a pause for assessment.

The labour market remains very tight, with the participation still at a historically high 70.8%.

Stats NZ recorded filled jobs up 0.6% in June from May, to 2.3m, the **third monthly increase in a row**. Service industries had the biggest monthly rise, up 0.7% or 11,452 jobs, along with goods-producing industries, also up 0.7% (2,955). Compared with a year earlier, the biggest rise in filled jobs was in professional, scientific and technical services, up 0.6% or 10,770 jobs.

Confidence

The ANZ-Roy Morgan Consumer Confidence Index rose 1.4 points in July to 81.9, **just above its record low**. A net 25% of households thought it was a bad time to buy a major household item - a 4-point decline on the June result. A net 16% of consumers were pessimistic about the current financial situation, which is a 6-point increase on a month ago, and a **net 2% said expect to be worse off in a year's time**.

The ANZ Bank's monthly survey of business confidence showed a net 57% of respondents expect the broader economy will deteriorate this year, from 63% pessimism in June. **Firms' view of their own prospects was steady with a net 9% of firms expecting to be worse off.** Firms' employment intentions were still positive, but they remained downbeat about profits, investment, and convinced of more cost pressures and the likelihood they would have to raise their prices. Survey respondents reported wages rising 6.1% in the past year while they expected a rise of 5.7% in the year ahead.

Inflation and wage pressure

ASB's small-medium enterprise survey said 76% of businesses surveyed in July expect inflation to increase their operational expenses. A majority also expect increases in supplier costs and costs of goods will adversely impact them. 42% of businesses surveyed intend to increase their prices and a further 21% are yet to make a call on price increases. The top three drivers for businesses looking to increase prices are the increase in operating expenses (69%), increasing cost of goods (65%) and increasing supplier costs (62%).

Xero's monthly small business survey said wages rose 6.8% in the year ended June, the biggest rise in the series' five-year history. Employment growth in small firms was also up for the third month in a row at an annual rate of 4.4%, but sales growth slowed to 3.3%, the lowest in nearly a year.

Stats NZ said the average household's cost of living increased 7.4% in the three months ended June 20 compared with a year ago. Māori households' costs rose 7.6%. The highest spending households had an 8.1% rise, and the lowest spending and beneficiary households' costs rose 6.5%.

Housing and construction

Some 50,736 new homes were consented in the year to June, up 14% from the June 2021 year, Stats NZ reported. June's figure was slightly below the record of 51,015 homes consented in the year ended May. There were 26,823 multi-unit homes consented in the year ended June 2022, up 36% compared with the year ended June 2021. Over the same period 23,913 stand-alone houses were consented (down 3%).

The EBOSS Construction Industry Confidence Report said 59% of builders and 46% of architects predict the sector to deteriorate. The survey of 1,100 builders and architects found 91% of builders cannot get the staff to meet order book work. Around 45% of those were running at full capacity and 77% of architects and designers say they cannot find enough qualified staff to meet demand.

The **national measure of property values** fell a further -0.9% in July, taking the three month drop in values to -2.5%, the l**argest quarterly fall since Oct 2008** (-3.4%), when the market was in retreat from the GFC. CoreLogic predicted the national average property value would ultimately drop by 10% to 15% by the middle of 2023. In June, Corelogic said the total value of residential real estate fell to \$1.69 trillion at the end of Q2 2022, down from \$1.73 trillion at the end of 2021, with mortgages secured against 20% of that value, and the other 80% household equity.

Barfoot & Thompson said while the number of residential properties it sold in Auckland fell to 611, the lowest number of sales made in a July month in the past 22 years. The median sales price for the month at \$1,110,000 fell 2.5% on the average median price over the last three months, still 0.8% ahead of the median price in July last year. The average price of \$1,122,575, is down 5.4% on the average price for the previous three months.

The cooling real estate market could drive between 20% and 30% real estate agents out of the industry by this time next year, realtor Century 21 said.

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CORPORATE ROUND-UP

Banking, finance and insurance

The prospective sale of **Kiwi Wealth**, a subsidiary of **NZ Post-controlled Kiwi Group Holdings** with some \$6.8b of FUM to **Fisher Funds** was widely leaked amid signs that the transaction has caused some angst in the financial community.

Assuming the transaction is announced as predicted, **Jarden** ran second to Fisher and is understood to have sought, but been refused, an opportunity to improve its offer. Under Fisher, which is controlled by **TSB Bank** and 34%-owned by **TA Associates**, a Hong Kong global investor, is expected to close down the Kiwi Wealth operation and fold it into the existing Fisher operations. The merger will combine the 4th and 5th largest KiwiSaver providers, to give close to \$14b in FUM and will restore Fisher's default provider status. Fisher was deselected as a default provider last year.

For Fisher, the merger is an economies of scale play whereas for Jarden, KiwiWealth represented a path into KiwiSaver, where it has no presence. Jarden would have retained the Wellington-headquartered operation. The deal, which has yet to be officially announced, will require OIO approval.

Insurance Council claims data said payments for extreme weather events closed in on \$200m for the year to the end of June. Last year was a new annual record for such payments at \$324m.

Buy now, pay later firm **Laybuy** is cutting a third of its staff or about 45 people, mostly in its Auckland headquarters, rather than raising capital in a bid to turn profitable early next year.

Westpac NZ said it aims to lend \$100m in interestfree loans to homeowners for sustainability projects and is trialing a similar programme of loans at discounted rates to farmers.

Primary Sector

Arrivals from Indonesia were banned from bringing any meat products to NZ as Biosecurity NZ ramps up attempts to stop **foot-and-mouth disease** from reaching the country.

Biosecurity NZ said a foot-and-mouth disease outbreak response would be swift and drastic. With herds tested and diseased animals destroyed immediately. Even if the disease was confined to a small part of NZ, the entire country would be locked down within the first three days.

Biosecurity NZ has no plans to stop imports of dairy feed supplement palm kernel expeller from main supplier Indonesia saying the risk of PKE carrying the foot-and-mouth disease was low. Brightwater site near Nelson in April 2023, with a loss of 30 jobs. The ageing plant processes about 0.25% of Fonterra's overall milk supply.

Rua Bioscience signed a five-year deal with Motagon, a European medicinal cannabis distributor, to become its preferred Australasian supplier of medicinal cannabis products.

A2 Milk shares spiked on speculation the firm may gain access to the US market.

Energy and resources

The **Rio Tinto-controlled Tiwai Point smelter** said it has started working with power companies to explore a future past 2024 when its existing contract with Meridian Energy ends.

Bathurst Resources reported preliminary earnings of A\$104.4m for the June 2022 financial year, up 75% from the A\$59.5m in 2021. The company's June 2022 quarterly report said export earnings were A\$83.4m, a 337% increase on its 2021 export earnings of A\$19.1m.

Meridian Energy hired ASX-listed SRG Global to maintain its hydro stations and windfarms for the next seven years.

Would-be seabed miner **TransTasman Resources** is being sold to ASX-listed **Manuka Resources**. TTR has been trying for more than a decade to get consents to mine titano-magnetite sands in the Taranaki Bight and is waiting on appeals before further progress, if any, can occur. Meanwhile, a Maori Party-sponsored members' bill is seeking a ban on seabed mining.

Telecommunications, media and entertainment

NZME Radio apologised to Clarke Gayford, partner of the PM, and paid him an undisclosed sum, after it aired comments about him being the subject of criminal charges which it now accepts were based on rumours are baseless lies.

TVNZ's Head of News and Current Affairs **Paul Yurisich** resigned following a report on recruitment policies that was sparked by the hiring of former Breakfast host Kamahl Santamaria.

Wholesale and retail

Briscoe's expects to report a 4% decline in first-half profit from the prior period's \$47.5m, although MD Rod Duke is optimistic about the second half and says the company should still be able to beat last year's record net profit of \$87.9m.

US billionaire **Bill Foley** purchases Soul Bar owner **Nourish Group** for an undisclosed sum.

Fonterra is closing its milk powder plant at its

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CORPORATE ROUND-UP

Manufacturing and construction

Vulcan Steel signed a deal to acquire **Ullrich Aluminium Company** for about \$165m.

Electric motorbike builder **UBCO** is considering an IPO on the **ASX** late next year. It had previously said it could list on the Nasdaq, but decided against it now that investors have turned their backs on high-growth low-revenue companies.

Courts, legal and regulation

Fletcher Building's distribution unit was given Commerce Commission to buy six Tumu stores and a frame and truss plant.

A High Court judge ruled the **Financial Markets Authority's** case against **CBL Corporation** and its directors must be heard alongside shareholder claims setting up a trial scheduled for six months starting in April 2024.

The **Serious Fraud Office** said it is considering the high court judgment which rejected its allegations concerning the **NZ First Foundation**.

The **FMA** issued an infringement notice to registered building society **Alliant Perpetual** for failing to file financial statements by their due date.

Transport and logistics

Air NZ chief executive Greg Foran said the company was dealing with staff absenteeism rates three times higher than normal.

The Port of Napier opened its 350m wharf extension.

Mainfreight said in the past 16 weeks from April 1, group revenue was up by 32.5% to \$1.4b, and profit up 82.9% to \$178.83m. The result was driven by an increase in US revenue by 41.4% to US\$257.5m and a profit of US\$37.20m.

A construction contract for the \$14.6b **Auckland light rail project** isn't expected to be awarded until September 2025.

Technology and IT

Plexure Group completed a 5-year contract renewal with its biggest customer, **McDonald's**.

Auckland Transport joined Fonterra, ASB, BNZ and ACC as an anchor client of Microsoft's data centre, currently under construction in northwest Auckland.

Morrison & Co bought a 33.3% stake in Spanish open-access wholesale fibre operator, Lyntia Networks.

Service industries and healthcare

Pacific Edge shares sank after the lifting of a trading halt due to the possibility its cancer tests will no longer be covered by a major US health insurance

company. It does not believe the proposed changes will stand.

Restaurant Brands expects to report a lower halfyear profit due to global inflation pressures and covid-19 absenteeism with net profit for the six months ended June between \$14m and \$16m, compared with a \$35.4m profit a year ago.

AFT Pharmaceuticals said a drug it is developing to treat facial angiofibromas had failed to reach the threshold for US Food and Drug Administration registration.

Corporate actions

Infratil's agreed to sell a 12% stake in its Longroad Energy investment to German insurer Munich Re for US\$300m. The deal puts a pre-money valuation of US\$2b on the renewable energy developer, far more than its previous valuation.

The NZ Shareholders' Association will oppose the directors nominated to replace the NZ Automotive Investments board at the vote in Aug. Four of the company's five board members resigned earlier this month after the firm's largest shareholder and director, David Sena, said he planned to have them removed. Michael Stiassny has joined the board.

Capital markets

OceanaGold will delist from the ASX, leaving it with just one listing left, in Canada.

Punakaiki is postponing a public listing due to the slump in international tech stock valuations. The fund is on the verge of reaching \$100m of assets under management, a level it has previously said would trigger talks about going public.

Ethical investment funds are not providing enough information for customers to make an informed decision about where to invest, the Financial Markets Authority said.

Cooks Coffee is looking at a secondary listing in the UK as its international business continues to grow.

The **NZX** is looking at rule changes to encourage special purpose acquisition companies or founder-led growth firms, as it reviews its capital raising settings.

People

Fonterra appointed **Emma Parsons** as its managing director strategy and optimisation.

The NZ Law Society chief executive, Joanna Simon, disclosed this week to NBR that she had resigned in early June. Concerns raised in her resignation letter had since prompted the society's board to initiate a culture review.

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LEGISLATION

Contentious legislation ahead

Parliament resumed for the last week of July. Select committee hearings on the Water Entities Bill will be closely watched. The contentious 'three waters' legislation has attracted close to 90,000 submissions, mainly form letters in opposition. Legislation to enshrine unelected Maori representation in local government is also proving contentious.

- Italics denote update from previous edition of Hugovision
- A full compendium of the legislation before the House is available on The Hugo Group website, <u>www.thehugogroup.com</u>

Bills introduced

Accessibility for New Zealanders Bill - Introduced July 28. Sets up an administrative framework intended to address systemic accessibility barriers for disabled people. First reading completed Aug 2, referred to the Social Services and Community Committee with the Greens and Māori Party opposed as they said it did not go far enough.

Local Government Electoral Legislation Bill -Introduced July 26. Omnibus bill addressing various local body election issues. Opposition parties are focused on sections to increase Māori representation on councils. Completed first reading Aug 2 with National and Act opposed on grounds that Māori representation moves are a shift towards the end of 'one person, one vote'. Sent to the Governance and Administration Committee.

Bills in progress

Accident Compensation (Maternal Birth Injury and Other Matters) Amendment Bill - Introduced Nov 30. Brings maternal birth injuries under ACC cover. Second reading July 27 with all parties in favour.

Aotearoa New Zealand Public Media Bill – Introduced June 23. Establishes Aotearoa New Zealand Public Media, combining TVNZ and RNZ. *First reading July 26. National and Act opposed. Referred to economic development, science and innovation committee.*

Data and Statistics Bill – Introduced Oct 11. Repeals the Statistics Act 1975 following a review of statistics legislation. 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. The select committee process was dominated by submissions from a wide range of notable people and organisations regarding concerns about privacy issues and Statistics NZ's powers to collect and store information from a range of sources without those who originally providing the data knowing its end use. The committee made a number of changes acknowledging these concerns. *Committee stage completed July 27. Completed third reading Aug 2 with Act and the Māori Party opposed.* Labour said objections to the reform was overblown. National expressed some misgivings, but supported on balance.

Digital Identity Services Trust Framework Bill -

Introduced Sept 29. Establishes a legal framework for digital identity services for individuals and organisations. *Second reading July 26 with all parties in favour.*

Firearms Prohibition Orders Legislation Bill -

Introduced Dec 14. Introduces firearms prohibition orders to try and address some limitations with the Arms Act that might enable a high-risk person to legally access or use firearms or restricted weapons, associate with people in physical possession of firearms. *Reported back July 29 with minor amendment. National objected that the bill did not go far enough.*

Foreign Affairs (Consular Loans) Amendment Bill

- Introduced June 21. Gives authority for the Minister of Foreign Affairs to issue consular loans to NZ citizens and permanent residents where exceptional circumstances exist. *First reading July 26 with all parties in favour and sent to the foreign affairs, defence and trade committee.*

Overseas Investment (Forestry) Amendment Bill -

Introduced May 31. Reverses the 2018 special forestry test in the Overseas Investment Act and applies the Act's existing, more stringent benefit to NZ test to investments that will result in converting land-use to production forestry. *Reported back Aug 1 with only minor and technical changes though MPs noted submitters' concerns that the new definition and test would be overly complex and better administration would also be a solution.*

Smokefree Environments and Regulated Products

(Smoked Tobacco) Amendment Bill - Introduced June 21. Significantly limits the number of retailers able to sell smoked tobacco products and prevent young people from taking up smoking by prohibiting the sale of smoked tobacco products to anyone born on or after Jan 1 2009. *First reading July 26 with Act opposed and National expressing concerns. Sent to the health committee.*

UK Free Trade Agreement Legislation Bill -

Introduced June 22. Implements the necessary legislative changes to bring the trade deal with the UK into effect. *First reading July 27, opposed by the Greens and Te Paati Māori. Referred to the foreign affairs, defence and trade committee, to be reported by Oct 13.*

Bills passed/defeated

Education and Training Amendment Bill (No 2) -Introduced Nov 30. Makes amendments across a range of matters in the Education and Training Act 2020 to give effect to new policy decisions such as giving the government greater flexibility to regulate compulsory student services fees charged by tertiary education providers and a range of minor and technical changes. *Committee stage completed July 26 and third reading July 27 with Act and National opposed.*

