

## Onslow, green hydrogen get BCG thumbs-down

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A report for the electricity sector from Boston Consulting Group suggests that neither the Lake Onslow nor the Southern Green Hydrogen projects will produce optimal outcomes for NZ electricity consumers as the country seeks to decarbonise the energy system. The preferred option favours renewables, demand response, and smart technology.

## Rate shock ahead

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ANZ Bank warns that 57% of its current home mortgages are written at interest rates that are sub-3% and sub-4%. As rates rise, the bank is looking to stress-test applications for new lending at rates above 8%, with some expectation now that the OCR will top out at above 5% next year. The RBNZ's financial stability report next Wednesday will shed further light.

## National and social investment

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Much focus was placed on the potential role of private philanthropy in Nicola Willis's important speech last week on reintroducing the Bill English 'social investment approach' under a National-led government. The message was both more nuanced and less politicised than that. There is fertile political territory for National in constructive alternatives to current failures in social policy delivery.

## FPAs - a defining issue

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Labour has finally delivered a signature policy to its base with the passage of the Fair Pay Agreements legislation. National's promise to repeal it becomes a defining election campaign issue, since it will likely take most of the next year, if not longer, to negotiate.

## Robertson on income tax

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Reading between the lines, it also looks as if Grant Robertson intends to offer bracket creep relief for low and middle income earners in his election year Budget, although it may only kick in from the beginning of the 2024 tax year, making such change contingent on Labour's re-election. National is already offering this, but its pitch is muddled by also wanting to abolish the new top tax rate.

## Hamilton West by-election

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Gaurav Sharma continues to punish Labour while writing himself out of a short chapter in NZ political history. The Dec 10 by-election is National's for the taking. The most interesting question is whether the party will show any appetite for choosing a more diverse candidate than usual. Christopher Luxon would welcome it, but it is up to the local electorate machine to decide.

## Wayne Brown - lots of bark, how much bite?

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Wayne Brown has begun his tenure as mayor by attempting to set out an array of demands in areas where he campaigned. So far, however, the Auckland Council has yet to meet or discuss any of his initiatives, and the limits of his ability to demand change are starting to appear. Watercare, for example, has ignored his edict to stop working on three waters policy.

## BCG report gives raspberry to Onslow and green hydrogen

The electricity industry invested substantial time, political capital and money in 'The Future is Electric', a report published this week by Boston Consulting Group.

The intent of the exercise was to give further impetus to the argument that the government is slowly coming around to: that decarbonisation of energy in all sectors is more important than 100% renewable electricity by 2030.

The "preferred pathway" envisages concentrating investment in smart grid, battery storage and demand response technologies to achieve the best outcome for household power bills, reduced energy system emissions, and the most efficient deployment of capital.

"Pathway 2 ... has the lowest system cost, low wholesale prices, the lowest energy bills, modest levels of involuntary demand response, and similar emissions reduction pathways" to three of the other four alternatives.

Compared to the Project Onslow pumped hydro scheme or the Meridian/Contact Energy Green Southern Hydro project, so-called "pathway 2" lacks big bang impact.

But it is devastating as a critique of Onslow, which looks well out of the money even at the undoubtedly undercooked build price of \$6b (\$12b is a credible possible alternative final cost).

And it doesn't much help the case for the green hydrogen alternative to Onslow. This is largely because the cost of overbuilding renewables to create interruptible load for a hydrogen plant that would be throttled back every time there was need for additional electricity elsewhere in the system.

The findings appear to be giving at least some pause to the green hydrogen push, with talk turning to whether a smaller scale, domestic rather than export play may be a more realistic short to medium term opportunity.

## Market manipulation allegations

Meanwhile, the Electricity Authority is making a fresh set of inquiries into allegations that some smaller, non-generator participants in the electricity market have faced manipulation that prevents them accessing hedge product.

The issue is acute, in part, because of the impact of high carbon and international coal prices, on forward market prices.

Contact and others continue to argue that the fastest

way to deal with high futures market prices is to give strong central government direction to local councils to allow new renewable generation to be consented.

However, generators are not especially incentivised to push that argument as hard as they are to oppose Onslow - which they also see as a barrier to new investment.

The reality remains that very high wholesale market spot prices are generating healthy returns for those in a position to generate electricity in the current market conditions.

## Energy strategy

The government released the terms of reference for its Energy Strategy to reach its target that 50% of total energy consumption will come from renewable sources by 2035. The work will be finalised by the end of 2024 and will include the gas transition.

## Business may hate FPAs, Labour voters won't

The passage of the Fair Pay Agreements legislation has been a long time coming, given that it was 2017 election campaign policy.

The wait was so long that CTU president Richard Wagstaff described supporting Labour in late 2019 as like "swallowing vomit".

The passage of the FPA law this week is therefore an overdue dividend for Labour's union backers and its traditional, low-paid constituency. In the first instance, FPAs are only targeted at supermarket and hospitality workers, bus drivers, cleaners and security guards.

National's promise to repeal the law may encourage employers to delay negotiation in any of these areas, but that may play well for Labour to shore up core constituencies as it creates a clear contrast in approach, particularly when the cost of living is uppermost in households' minds.

In this context, Christopher Luxon's attempt to be relatable by serving at a Christchurch McDonald's was another display of political inexperience. Playing low-paid worker for a day at the same time as promising not to support low-paid workers' desire to be paid more was a gift to opponents.

## Robertson's tax cut feint

Grant Robertson's continual refusal to rule out income tax threshold changes in his election year Budget hints at how Labour hopes to keep fighting the odds of defeat next year.

It is not the first time that Robertson has allowed the impression to form that Labour might steal the guts

of National's tax cut policy - the long overdue relief that middle income earners might have expected half a decade ago to deal with fiscal creep.

Asked this week about the potential for tax cuts, Robertson said: "Every government would want to be able to adjust those tax brackets and make sure that people do keep more of that money in their take-home pay. [But] we have to balance that against all of the needs we've got in delivering the health system ... delivering education, building houses, making sure that we provide all the public services people rely on.

"So we'll take a look at that as we move into the next period and we look at our policies for the next election. But it's always a balance."

That is as close a hint as a finance minister can give that he is going to propose such a change. Robertson would be far from the first finance minister to promise tax relief that doesn't cut in until the tax year following an election - in this case, the year starting April 1, 2024.

National may yet offer a better deal, but it has allowed itself to become entangled in the argument about whether a cut to the top rate of income tax is justified. National needs to start explaining its middle income tax threshold relief far better or Labour will steal its thunder. Again: political experience matters and National could yet squander its 2023 election chance with poor strategic execution.

## What Nicola Willis really said

Nicola Willis's speech on National's intention to return to the social investment approach pioneered by Bill English was seized on by critics on the left as suggesting that National would prefer private philanthropy to government provision of social services.

### She said no such thing.

Rather, the speech was a bellwether for the development of an **election strategy that will go well beyond the debate about the state of the economy and focus instead on the deepening sense that the country is heading in the "wrong direction"** (see *polling item page 4*).

At a time when news headlines are dominated by ram-raiding teenagers, ongoing catastrophic failures at Oranga Tamariki, falling literacy standards and a public health system under enormous strain - not to mention unpopular reforms such as three waters - National has a rich menu to choose from.

The Willis speech is important for demonstrating that National has more than just a critique to offer.

While the reheating of the social investment approach could be portrayed as the Luxon team lacking ideas of its own, the fact remains that **English's Better Public Services targets were beginning to show results in some key areas** - the multi-pronged effect on families, schooling, and housing quality of targeting rheumatic fever, for example.

Where targets were hard to meet or there was failure, that was clear too.

**The abolition of those targets and their replacement with literally hundreds of alternative metrics is demonstrably having no impact other than to mask failure.**

Willis's message, boiled to its essence, was:

- Simply spending more will not solve these problems.
- Leaving these issues in the hands of government agencies while stifling innovative, grass-roots initiatives makes no sense.
- Measurement and evaluation matter, and there is far more that can be done with the growing mass of big data available in the government's Integrated Data Infrastructure (IDI) programme, which links anonymised data across agencies.
- Funding should follow results, and it should be possible for programmes that get results to gain support from beyond the state by enabling private capital to be put to work in service of more of those results.

Willis identified a **"creeping contempt for the absence of accountability for government failure** and regret that hard-earned money is being wasted while those in need miss out".

National would offer "a range of investment options ... including social impact bonds, social outcome contracts and other innovative ways of investing in longer-term outcomes for people, **including partnering with external experts and agencies**", with **"initial funding ... provided by government through the Budget process, and would be topped-up over time**, including by redeploying funding from any government initiatives that may have received disappointing social impact evaluations".

Greater commissioning of NGOs to deliver programmes, with **"the fund ultimately becoming a trusted repository for philanthropic and charitable social investment"**.

## Ignore the rumour

One highly speculative column appears to have been all it takes to get the media speculating that she will quit before the next election.

Of course, she might. But Ardern herself has repeatedly says she will contest the next election. We believe her.

Her swift intervention on the Shakespeare funding issue shows she remains highly attuned and responsive to public sentiment.

"I've lost count of the number of times people have told me they'd be willing to donate more to charity if only they could have confidence the donation would really make a difference.

"I know some will question this mixing of the public and private domains. I'm not interested in that rigidity. I want results. If private capital can be better deployed to help change the lives of more New Zealanders then I will not be afraid to use it. We must not allow ideology to get in the way of what works."

## Hamilton West by-election

National should win the Hamilton West by-election at a canter, no matter who the local party chooses as its candidate. However, the party will want to avoid the kind of selection failure that not only delivered a pre-tarnished MP in Sam Uffindell, but offered four middle-aged white men as possible candidates.

Luxon has made clear that National needs to show a more diverse face, but he appears to be way out in front of the party, whose rules give most of the power in candidate selection to the local electorate.

Voting day is Saturday, Dec 10.

Expelled Labour MP Gaurav Sharma will disappear from public life even more quickly than he was in it. His new political party idea has no legs.

## Latest polling

The **Taxpayers' Union-Curia Poll** for Oct showed **National increasing its support by two points from Sept to 39%**. Act dropped three points from 12% to just over 9%. If this translated into an election result they could form a majority in Parliament. **Labour was up one point to 34% while the Green Party was down three points to 7%**. Among the smaller parties, The Opportunities Party was on 3.4%, suggesting its income-for-land tax switch package resonated. Te Pāti Māori was at 2.1%, NZ First at 2% and New Conservatives at 1%. At these numbers Labour and the Greens would receive 54 seats together and Te Pāti Māori three seats - well short of a governing majority.

In the preferred PM stakes, Jacinda Ardern was down a further 3.5 points to 32%, from a high of 50.8% in Sept 2021. Christopher Luxon also dropped in popularity from 25.9% to 22.5%, from a high of 28.6% in April this year.

**Just 29% think the country is on the right track** - down three points - while **56% think it is on the wrong track**. This is a **huge swing from Sept last year when right track sentiment was 71%**.

The cost of living remained by far the most important issue to those surveyed, at 24% - up from just 2% in

Jan. Covid-19 has gone from being the most pressing issue in Feb to now the least important issue for voters at 2%. The poll was conducted between Oct 2 and Oct 11 with 1,000 respondents.

A private poll by Labour's pollster, **Talbot Mills**, had **National and Labour neck and neck on 35%**. Labour was stable while National had dropped three points from Sept. That poll also had the **Green Party on 9% and Act on 11%**.

## Auckland politics

New Auckland mayor Wayne Brown started with a hiss and a roar meeting councillors and trying to set the agenda with a series of letter to council owned companies and agencies about his wishes.

However, **his attempt to order Watercare to stop work on Three Waters reform was rebuffed by the council-controlled organisation** which said the work was being funded by the government and was part of its mandated work programme.

Likewise, the chair of Eke Panuku, Paul Majurey, made clear that he had no intention of resigning, despite Brown's request that the whole board step down.

Brown has made no comments so far on the future of Auckland Unlimited, which is also in his sights. He has made clear that there will be no privatisation of the Ports of Auckland - the one CCO where he can expect support across the political spectrum for a gradual shift in port operations to other sites.

That was demonstrated by Green's Auckland Central MP **Chloe Swarbrick backing the move to return to public use the Ports of Auckland land currently used for imported cars**.

Jacinda Ardern said her meeting with Brown, her third meeting with a newly elected mayor - following Christchurch and Wellington - was "relatively general" and she declined to allow Brown to set the media agenda by refusing to hold a joint press conference with him.

So far, Brown has been only partially successful in developing a crisis narrative to justify radical early action. It remains possible that his 'move fast and break things' approach could prove a double-edged sword.

The outbreak of peace after his meeting with Local Govt Minister Nanaia Mahuta suggests the government may yet have his measure and will not be bullied by the mayor when his council has yet to hold its first meeting, let alone make any decisions.

## Immigration

Migrants fear delays in security checks are delaying decisions on fast-track residence visas. 🇳🇿

## Inflation, the OCR and mortgage rates

The consumer price index lifted to an annual 7.2% in the Sept quarter versus 7.3% in the prior quarter, largely driven by housing and household utilities, which lifted 8.7%. Stats NZ said prices for the construction of a new house rose 16.8% in the Sept quarter versus the same quarter a year ago. The major banks had forecast Q2 to between 6.5% and 6.8%.

BNZ said the inflation data was a shock on the high side with a quarterly increase of 2.2%. It now expects a 75bps OCR increase in next month's MPS, rather than by the 50 basis points it anticipated previously. This would take the OCR to 4.25%. ASB now expects the OCR may peak at 5.25%.

However, BNZ is less concerned.

"We do not believe significantly more tightening will be required after the Nov hike because:

- Leading indicators of economic activity are poor.
- We still believe inflation is headed lower.
- The global economic outlook is deteriorating by the day.
- Rising funding costs mean there are more lending rate increases ahead, come what may.
- The end to the Funding for Lending Programme will put further upward pressure on rates.
- The housing market is faltering.
- A 75 point increase in Nov may be the straw that breaks the camel's back.

By Feb next year, a recessionary outlook is likely to be taking hold and should allow the RBNZ to hike no more than 25bps in the policy review scheduled for that month.

"Whatever the outcome we do not believe that current market pricing of a 5.4% terminal cash rate is sustainable. At rates approaching anywhere near that level the economy would be well and truly buried," BNZ says.

## Orr on financial stability

Next Wednesday's financial stability report from the RBNZ will be worth watching for the central bank's assessment of emerging debt stress as interest rates rise.

Governor Adrian Orr gave a preview this week, saying NZ's financial system "remains well placed to support the economy - with banks' capital and liquidity positions strong, and profitability and asset quality high".

"However, there will be stresses in business and amongst households as interest rates and asset prices adjust. Of critical importance to overall financial stability will be the robustness of the labour market."

Reflecting this, **ANZ said it would start stress-testing mortgage applications at rates above 8%.**

Some 57% of the bank's current home lending book is still at interest rates beginning with a two or three, while **all new lending at three years and more is priced above 6%.**

With respect to labour market indicators, next Wednesday will also see the release Sept quarter figures.

## Economic indicators

Stats NZ said the **net worth of households fell \$88.9b**, or 3.7%, in the June quarter, twice more than the \$40.2b fall in the March quarter. The two quarters of decline after 10 consecutive quarters of increase.

The **BNZ - BusinessNZ Performance of Services Index** for Sept was 55.8 (A PSI reading above 50 indicates expansion; below 50 decline). This was down 2.8 points from Aug, but still above the long-term average of 53.6 for the survey.

The **BNZ - BusinessNZ Performance of Manufacturing Index** for Sept was 52.0. This was 2.8 points lower than Aug and the lowest level of activity since June.

**Residential construction costs** continued to build during the third quarter, with a quarterly 3.4% increase pushing 12-month residential build inflation to a record 9.6%, according to the latest CoreLogic Cordell construction cost index.

The **national median weekly rent** increased by 7.5% year-on-year last month according to the latest Trade Me Property data. The median national rental was \$575 in Sept up \$40.

The Oct **ANZ business outlook survey** described inflation pressures as remaining "intense", although there were some signs that pricing intentions are easing - a possible harbinger that inflation is peaking.

Its consumer sentiment survey, taken in conjunction with Roy Morgan, released this morning, finds no change in the downbeat mood observed in Sept. However, it notes that a negative gap is now starting to open up between current future conditions, which "tends to be a hallmark of tougher economic times".

"While the gap isn't large right now, this is a trend worth keeping an eye on."

Consumers' inflation expectations, anchored at 5%, remain well below business respondents' expectations, which are closer to 8%. This is unusual. ■

**CORPORATE ROUND-UP****Primary Sector**

**Dairy prices** fell 4.6% on average at the latest global auction, taking the index to its lowest level since Jan 2021. Prices have been falling since hitting a record high in March.

**Fonterra** revised the forecast for its 2022/23 NZ milk collections to 1,480m kilograms of milk solids, down from its previous forecast of 1,495m kgMS due to weather conditions. The co-operative will spend about \$1b over the next eight years as it transitions its 30 manufacturing sites to more sustainable energy sources, including biomass, biogas and electricity and ending coal use by 2037. It also intends to tap green bonds and sustainability-linked bonds and loans.

**PGG Wrightson** expects 2023 earnings to fall as its rural customers grapple with inflationary pressures and weak sentiment. First-quarter trading was in line with expectations with expected earnings of \$62m in the year to June 30, 2023, below last year's \$67.2m.

**Marlborough Lines** is said to be in talks with Australian winemakers and private equity firms to sell all or part of its wine company **Yealands**.

**Dairy Holdings** is putting up five profitable West Coast farms for sale.

**A2** is aligning executive remuneration in its Australian and NZ operations. The review includes revising its short-term incentive plan, allowing the board to defer part of chief executive **David Bortolussi's** incentive payment in 2023.

Boutique apple exporter **Rockit** won the NZTE International Business Awards supreme award.

**Energy and resources**

**Mercury NZ** upped its earnings guidance by 6.9%, or \$40m, of \$620m in the year ending June 30, 2023 on the back of higher hydro generation.

**Manawa Energy** trimmed 2023 earnings guidance to be between \$140m and \$160m, citing a difficult first half and increased development spending. The company previously said underlying earnings would be between \$127.5m and \$140m in FY23.

**Genesis Energy** lifted its full year earnings guidance for FY23 year to \$500m from \$455m following favourable trading conditions with larger hydro inflows and thermal generation flexibility. Lower thermal generation meant carbon emissions declined by 50% in the quarter vs the same period last year.

**Beach Energy** is going ahead with work for a carbon capture and storage project next to one of its Australian gas fields, saying facilities like these may be necessary at all its sites in the future, including at the Kupe field off Taranaki.

Concerns about a lack of information in resource consent applications for a controversial proposal to build a **waste-to-energy plant in Waimate** led the regional and district councils to return them.

**Banking, finance and insurance**

**ANZ's NZ arm** reported a 20% increase in NPAT to \$2.3b, reflecting post-pandemic consumer demand and a buoyant housing market. Provisioning for bad debts in the year ahead has increased substantially.

**Heartland Group** purchased Australia's Challenger Bank for A\$36m (\$39.8m).

**Harmoney** says it had another profitable quarter and grew its loan book by 4% to A\$635mn (NZ\$708m).

**Tower's** annual underlying profit was about \$40m in the year ended Sept 30, up from \$30.8m a year ago. The result was affected by refunding overcharged customers and extra provisioning for the Canterbury earthquakes.

**Telecommunications, media and entertainment**

**Spark** gained long-term access to a portion of the 5G-enabling c-band spectrum, in exchange for committing \$24m to expand mobile coverage in rural NZ. Other existing holders have also been allocated spectrum on confidential terms. This means no auction will be held.

**Spark** completed the sale of 70% of its TowerCo business to the **Ontario Teachers' Pension Plan Board**, for which it has paid \$900m.

The government is proposing changes to its **screen production grant** aimed at attracting more foreign multi-year TV productions rather than one-off blockbuster movies.

**Wholesale and retail**

**Turners Automotive Group** said first-half pre-tax profit would be modestly ahead of last year's \$23.2m with an increase in its car units sold year-on-year, despite the wider NZ used car market being down 7.5% - between April and Sept - compared with the same period last year.

**Transport**

The government signed a contract with a US technology company **Cubic** to provide a national ticketing service for public transport costed at \$27m with \$1.3b budgeted over 15 years to cover costs.

**Mainfreight** lifted its first half outlook with underlying profit for the six months ended Sept up an estimated 66% on the year earlier to \$301.7m.

Revenue was up 33% to \$3.01b, with strong gains in transport, warehousing and its air and ocean business. All regions had strong revenue growth, apart from Asia, which dropped 9%.

Higher fuel prices and increasing labour costs have squeezed **Freightways'** margins. First quarter operating revenue was up 15.1% on the year but its Ebita margin dropped from 15.6% to 15.1%.

**NZ Post** said it paid \$52m to acquire Fliway Group from its Singaporean owners, who sold the formerly listed company at a loss in March. The price was \$3.4m less than Yang Kee paid for the company in 2017.

**Auckland International Airport** lifted its 2023 profit guidance to be between \$100m and \$130m thanks to a rebound in the aviation market.

**Move Logistics** expects its underlying earnings to be ahead of last year's \$54.3m.

Three regulators outlined shared concerns about the safety culture at **KiwiRail**, alleging commercial outcomes had been prioritised over safety.

## Manufacturing and construction

**Vulcan Steel** expects earnings of between \$215m to \$235m for FY23 after a solid first quarter. The sale of 263,000 tonnes of steel products generated Ebitda of \$224.4m for the year to June 2022, up 68% from \$133.4m, off revenues of \$972.7m, up a third on the prior year.

**D&H Steel Construction** said its pricing has now stabilised but is 25% higher after two years of price escalations.

Three **housing projects** have been given access to the covid recovery fast-track consenting process. The 748 home Te Pūtahi project in Lake Hayes, near Queenstown, 58 apartments at in Kohimarama, and a new 85-unit subdivision north of Wellsford.

## Courts, legal and regulation

Four **Uber** drivers from Wellington were deemed employees in a landmark **Employment Court** decision. Chief Judge Christina Inglis found each driver was not an independent contractor but in an employment relationship and said the decision may have a broader impact. Uber has said it will appeal the decision, noting it was at odds with a former finding by the court.

**Winton Land** will take **Kāinga Ora** to the Auckland High Court under the Commerce Act, alleging anti-competitive conduct after it refused the developer's bid to have the \$10b Sunfield considered as a 'specified development project' under the Urban Development Act.

The **Financial Markets Authority** formally warned several wholesale property investment firms they may have offered unregulated products to non-expert investors. The list included **Du Val** Capital Partners, **Williams** Corporation, **Wolfbrook** Capital, and **Jasper** NZ. The FMA also gave online investment platform **InvestNow** a formal warning for not complying with anti-money laundering requirements.

The FMA is also taking **Vero Insurance** to the High Court, claiming it overcharged \$8.7m in premiums to customers entitled to multi-policy discounts.

The **Commerce Commission** released a draft misuse of market power guidelines on how it will enforce changes to the Commerce Act next year.

## Property

**SkyCity's** \$220m deal, announced in 2019, to sell its Auckland car parks to **Macquarie** has been called off.

## Technology and IT

**Scott Technology** declared a final dividend of 4cps per share, taking the annual return to 8cps, up from 6cps last year. Net profit rose 33.9% to \$12.7m in the 12 months to Aug 31, from \$8.4m a year earlier. In the same period two years ago, the company reported a net loss of \$17m.

## Service industries and healthcare

**Pacific Edge** said its NZ and US labs had processed 36% more tests for the second quarter, year-on-year and allayed concerns over whether the firm qualified for reimbursement by medicare provider Novitas.

**Bupa ANZ Group** refused to comment on reports that its NZ aged-care business has been withdrawn from sale for lack of a willing buyer.

**Ryman Healthcare** is cutting the number of care beds in its new villages by as much as two-thirds because of government underfunding for aged care.

**Asia Pacific Healthcare Group** is buying **Rako Science**, a competitor in the covid saliva testing field, for an undisclosed sum.

## Capital markets

**Plexure** began trading as Task Holdings as it moves to a primary ASX listing and foreign-exempt NZX listing.

**Maker Partners** raised \$15m in an oversubscribed capital raise and is on the hunt for homegrown investments.

The inaugural chief executive of Jarden Australia, **Robbie Vanderzeil**, will be moved into a chairman role. ■

## LEGISLATION

### RMA reforms back soon

David Parker's first tranche of RMA reforms is due back in the House the week after next. The swearing in of Gaurav Sharma's replacement, Soraya Peke-Mason on Oct 25, produced for the first time a majority of MPs in the House who are women.

- *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

**Business Payment Practices Bill** – Introduced Oct 26. *A new transparency regime for business-to-business payment terms and practices. Entities with more than \$33m in revenue will be required to disclose their payment practices twice a year including information about late payments and payment terms.*

**Climate Change Response (Extension of Penalty Transition for Forestry Activities with Low Volume Emissions Liabilities) Amendment Bill** - Introduced Oct 4. *Extends a transitional regime allowing lesser ETS penalties for small forestry owners who fell trees from pre-1989 forests and fail to surrender or repay units. First reading Oct 18, supported by all and sent to the environment committee to be reported back by Nov 11.*

**Worker Protection (Migrant and Other Employees) Bill** – Introduced Sept 29. *Gives news power to labour inspectors and immigration officials to investigate migrant worker exploitation, creates new infringement offences, allows the publication of those who are convicted of immigration offences and also bars those convicted from being the director or manager of a company. First reading Oct 18 with all parties in favour and sent to the Education and Workforce Committee.*

### Bills in progress

**Charities Amendment Bill** - Introduced Sept 21. *First reading Sept 28 and sent to the Social Services and Community Committee with National opposed.*

**Fire and Emergency New Zealand (Levy) Amendment Bill** - Introduced Sept 20. *Makes change to funding regime for Fire and Emergency NZ through a levy on insurance premiums. First reading Sept 27 with all parties in support and sent to the Governance and Administration Committee to be reported back by Feb 16.*

**Hazardous Substances and New Organisms (Hazardous Substances Assessments) Amendment Bill** – Introduced Aug 3. *Attempts to streamline the approvals system, most notably it enabled the EPA to make better use of information from international regulators. Third reading completed on Oct 26 with all parties in favour.*

### Security Information in Proceedings Legislation

**Bill** Introduced Nov 25 2021. Amends several pieces of legislation to provide a framework for national security information in court proceedings. It is the govt's response to Part 2 of the Law Commission's report - The Crown in Court: A Review of the Crown Proceedings Act and National Security Information in Proceedings. First reading Dec 14 with all parties in support and sent to the justice committee. *Second reading completed Sept 29 with the Greens and Te Paati Māori opposed.*

### United Kingdom Free Trade Agreement Legislation

**Bill** - Introduced June 22. Implements the necessary legislative changes to bring the trade deal with the United Kingdom into effect. First reading July 27, opposed by the Greens and Te Paati Māori. Referred to the foreign affairs, defence and trade committee. *Reported back Oct 20 with minor amendments mostly relating to the administration of the apple and pear quota arrangements.*

**Organic Products Bill** - Introduced Feb 27, 2020. Proposes a regime to regulate organic claims and the businesses that make them. First reading on March 19, supported by all parties and sent to the Primary Production Committee. Reported back March 1, 2021. *Second reading completed on Oct 27 with Act opposed.*

### Bills passed/defeated

**Fair Pay Agreements Bill** - Introduced March 29. *Reported back Oct 5 with many mainly technical amendments. Second reading Oct 18 with National and Act opposed. Committee stage from Oct 20 subject to filibuster with third reading Oct 27.*

**Animal Welfare Amendment Bill** - Introduced Sept 21. Bans export of livestock by sea by April 2023. *Third reading Sept 28. National and Act opposed.*

**Biosecurity (Information for Incoming Passengers) Amendment Bill** - Member's bill in the name of Steph Willis, introduced April 8 and amending the Biosecurity Act in relation declaration requirements of small craft arrivals in NZ. *Committee stage completed Sept 21. Third reading on Oct 19 with all parties in favour.*

**Fisheries Amendment Bill** - Introduced April 13. Makes changes to the fisheries management system. *Committee stage on Sept 28 with the govt deciding at the last moment to withdraw large parts of the bill primarily around streamlining of allowable catches. Third reading completed with no parties opposed.*

**Plain Language Bill** - A member's bill from Rachel Boyack, introduced Sept 23. *Third reading on Oct 19 with National and Act opposed. National would repeal.*

**Accident Compensation (Maternal Birth Injury and Other Matters) Amendment Bill** - Introduced Nov 30. Brings maternal birth injuries under ACC cover. Among the policy changes are restoring the more *Committee stage completed on Sept 22 and third reading on Sept 27 with all parties in favour.*

