

Election now National's to lose

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Christopher Luxon may have objected to Adrian Orr's reappointment as governor of the Reserve Bank, but he can hardly object to the political environment that Orr's hawkish monetary policy statement has delivered. Retaining the Treasury benches in the teeth of a recession would be difficult for a popular government, which this one is no longer.

The coming recession: how deep and how long?

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The RBNZ is forecasting a 1% economic contraction and a recession that will start to lift in 2024, when interest rates might be expected to start falling from as high as 8% for residential mortgages. That will make 2023 a difficult but manageable year. Businesses should be watching for any signs that it could be longer or deeper. December and March inflation outcomes are crucial.

Three waters law on track for pre-election passage

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We now expect to see the remaining three waters legislation introduced to Parliament before Christmas, with the government using its rare absolute majority to ensure the reforms are too far down the track to implementation by the 2023 election to be substantially unpicked.

Auckland council's funding needs

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While his ability to ram through a fiscally austere agenda is not guaranteed, Auckland mayor Wayne Brown may succeed in convincing councillors that alternatives exist, including the sale of all or part of the council's 22.4% interest in Auckland International Airport.

Nats rally RMA reform attack lines

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National is warning that the proposed RMA reforms are more inimical to development than the rhetoric from David Parker suggests, that novel terminology to replace "sustainable development" as the law's ultimate goal will be a new legal battleground, and that the membership of Regional Planning Committees is also likely to create protracted contests.

Nats neutralise tax policy threat

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The National Party's promise to abolish the 39% top income tax rate may be popular with people who already vote for it, but it was an Achilles Heel for the middle income voters that National must attract in sufficient numbers to convincingly win the next election. It was a rare area of traction for Labour attacks. National has neutralised that threat by abandoning the promise. It could always re-emerge as a promise for the 2026 election campaign, when economic conditions should have improved.

Voting age – nothing to see here

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The Supreme Court may have found that setting the voting age at 18 is inconsistent with the Bill of Rights Act, but there is no sign of a parliamentary super-majority to lower it to 16.

Recession ahead – Labour’s hill just got higher

It’s hardly rocket science. The impact not only of this week’s 75bps increase in the OCR but also the outlook for more such aggressive monetary policy on the government’s already slender chances of re-election is obviously negative.

Even if the recession is short and shallow, as optimists hope, short term mortgage interest rates look as if they could touch 8% by the middle of next year.

Private consumption is forecast to fall all through next year, with a larger house price correction and much larger drop in construction activity than was envisaged in the RBNZ’s forecasts three months ago.

That implies a very substantial change in personal financial circumstances for any indebted household and a further bout of dyspepsia in the consumer and business mood.

Add in unpopular reforms – three waters, hate speech laws, public health system upheaval – and signs of poor policy performance on crime and truancy, and the government’s path to re-election is very difficult to see.

It becomes clearer now why Jacinda Ardern jawboned the banks recently. The government has been gearing up for a recession and is seeking to ensure that well-capitalised and profitable banks consider the political downside of failing to show appropriate pastoral care for debt-stressed households.

Nats play safe on tax

The next most interesting political development this week was National’s decision to drop its pledge to axe the 39% personal tax rate.

The policy was one of the very few where Labour was making traction and is not going to cost National much, if any, support for being abandoned. If any high income earners are irritated, they will presumably head to Act or NZ First, and help National into office anyway.

While the party claims the change as evidence of its responsible, anti-inflationary stance, the reality is that it has been waiting for this opportunity to ditch a policy that gained it little and represents a weak point.

It suggests that National is shoring up every angle to ensure it builds on the momentum that it needs to see next year, but which the polls are not yet delivering.

Likewise, it is amping up its “tough on youth crime”

rhetoric, with proposals to revive a Key era policy to require youth offenders to attend military-style camps while receiving “wraparound services” to address their offending.

The party also continues to build momentum on its campaign to improve rates of school attendance, which is proving a resonant political issue.

Polls – lacklustre for both main parties

Notwithstanding the economic outlook favouring a change of government, neither of the major parties is firing strongly, according to most recent polls.

A Talbot Mills poll put National on 35%, no change from last month’s in the series. Labour was down one point to 34%. The Greens were steady at 9%, Act fell one point from 11% to 10%. Te Pāti Māori was on 3.2%, up one point, while NZ First was on 4.4%, up 0.4 points. TOP was at 2%.

The latest Roy Morgan poll said a potential Labour / Greens coalition is even with a potential National / Act coalition with both on 44.5% in Oct as support for smaller parties increased.

That result belies the weakness of the result for Labour in this poll, at 29%, although National was down 4 points to 32%.

The Greens were up 3 points to 15.5% – a new high in the series and Act NZ was unchanged at 12.5%. The Maori Party dropped 0.5 points to 3%, NZ First up 2.5 points to 3.5% and TOP up 0.5% points to 3%. The poll of 951 electors was taken throughout Oct.

The latest Taxpayers’ Union Curia Poll said National support was down 1 point to 38% and Labour up 1 point to 35%. ACT and Greens were both up 1 point each to 10% and 8%, respectively. The smaller parties are NZ First on 3.8%, TOP on 2.1%, Māori Party on 1.6% and New Conservatives 0.9%.

Meanwhile, Winston Peters has ruled out negotiating with Labour if NZ First is in a position of influence after the 2023 election.

At this stage, it is not clear that NZ First can win an electorate seat that would guarantee it representation in the next Parliament, but the party is showing signs of getting over the 5% MMP threshold.

The party’s recent successes in the courts, with the SFO donations case collapsing and Peters’s wins on issues of parliamentary principle are helping.

Auckland Council’s airport shares on the block?

Auckland mayor Wayne Brown delivered a terse, texted “no” when asked this week whether he could

comment on a hot rumour swirling that some or all of Auckland Council's 22.4% share of the city's international airport could be sold.

The mayor is looking for substantial, immediate revenue to plug the city's finances.

The sale of shares in the dual-listed airport would be a comparatively simple way of realising some cash quickly.

The airport's share price has bounced back since borders reopened and amid some evidence of a strong comeback for international tourism.

The airport's share price has been knocked around less than might be expected by covid, and was above \$8 for the first time in a year this week.

At Thursday's market capitalisation of almost \$11.7b, the council could realise more than \$2.6b if it sold the whole stake, which is listed as a strategic asset in its 2012-22 long term plan.

Overseas Investment Act issues might come into play if the stake were sold to a single buyer rather than traded on-market.

It appears the issue may be at the stage of being prioritised by council staff, but not examined by external advisors.

Less clear are plans for the Auckland port, with at least one party trying to tempt Brown, who wants a fast improvement in returns from the port, with a long term lease option.

While potentially the most commercially appealing option, it may prove difficult to sell politically. The Hawkes Bay Regional Council, for example, preferred a partial float of Napier port than leasing, despite the lease option scrubbing up better on a return on investment basis.

Full steam ahead on 3 waters

The government appears determined to use its one-time single party majority to push through the whole suite of three waters legislation.

It has made clear that the Water Entities Bill, currently before Parliament after returning from select committee, will be passed by Christmas.

More significant, however, is the expectation that the additional supporting legislation that is required to complete the reforms will be introduced in the week of Dec 5 after next week's one week recess.

The draft legislation had appeared to be stalled and, if not introduced before the end of this year, highly unlikely to be passed before the election.

Labour will be calculating that while National is determined to repeal the legislation, it has yet to say

exactly what the replacement would be.

The reality is that if the legislation is in place, the uncertainty created by any threat to make major changes to the new institutional arrangements would be highly disruptive to the delivery of water services. No government or council would welcome that.

National may therefore be content simply to unpick the Maori co-governance arrangements and improve some aspects of local representation rather than begin the whole reform process over again.

National's three waters spokesman, Simon Watts, appeared to achieve a small but significant win by highlighting ambiguous passages in the select committee reportback on the Water Entities Bill that suggested public parks and open spaces that also double as flood protection works could end up being transferred out of council ownership. A Supplementary Order Paper introduced this week scotched that.

RMA attack lines emerge

National's infrastructure spokesman, Chris Bishop, has led the party's response to the government's RMA reform package, presumably because environment spokesman Scott Simpson has been in Egypt for COP27.

In a speech to local government leaders last week, Bishop began to lay out likely attack lines for when the Natural and Built Environment and Spatial Planning Bills get to select committee.

Chief among them are:

- the potential for a new generation of litigation over the meaning of the concept of Te Oranga o te Taiao (roughly, health of the environment) which the new regime rests on, replacing the RMA's focus on "sustainable management". "Senior RMA practitioners are telling me that years of legal wrangling awaits over this language," said Bishop;
- the potential for lengthy tussles over the membership of the 15 Regional Planning Committees that will write the powerful new spatial plans that will set the template for all resource consenting under the NBA. "The idea that it will be easy for 15 regions to just figure out who will be on these powerful bodies and get on with it is naive," says Bishop. He is also concerned that because the RPCs will not themselves be elected, there is a "democratic deficit" at the heart of the

Star power

Jacinda Ardern will get a burst of star power next week with a visit to NZ by her Finnish counterpart, Sanna Marin.

Ardern and Marin are antipodean peas in a pod - young (or as Ardern describes herself "youth-adjacent"), progressive, women leaders from small, successful democracies. The haters may hate it, but the visit will be political gold.

POLITICS AND POLICY

reforms because of the importance of the spatial plans to long term regional development;

- more fundamentally, Bishop fears that while the rhetoric accompanying the new regime intends to promote development, particularly well-planned urban growth, the weight in the bills favours the environment over development. “The built environment and infrastructure barely get a look in,” he claims.

COP flop

NZ announced a new \$15m commitment to the global climate change adaptation fund. The contribution followed a commitment of \$20m of finance for loss and damage. Climate Change Minister James Shaw said at least half of the government’s \$1.3b climate finance package will be targeted at projects that support climate resilience, especially in the Pacific.

Shaw said the global meeting made disappointing progress on emissions reductions plans, but international agreement on loss and damage compensation was a step forward.

ASEAN FTA upgrade

An upgrade to the ASEAN FTA, which includes Australia, was announced in the context of the first in-person round of traditional year-end Asia-Pacific leaders’ meetings since before covid.

Areas of upgrade include improved conditions for investors and service providers, more streamlined customs procedures, and commitments to support the flow of essential goods in times of crisis, stronger e-commerce consumer protection and support for the wider use of e-invoicing, and removal of unnecessary barriers to the cross-border transfer of business information.

Also new is “a framework for cooperation on sustainable trade issues, including the environment, labour standards, and women’s economic empowerment”.

NZ agreed to allow the import of Vietnamese limes after years of difficulty because of biosecurity fears. In return, NZ is asking for access for strawberries and squash.

Jacinda Ardern had a brief meeting with US president Joe Biden in the margins of the ASEAN leaders’s summit, while a meeting with China’s president, Xi Jinping, at the APEC summit in Cambodia went for twice the scheduled 20 minutes. Xi appeared at pains to emphasise NZ’s status as an “important partner and friend”, in contrast to a performative public dressing-down that he

delivered to the Canadian PM, Justin Trudeau, whom he accused of “leaking” details of their bi-lateral discussions to the news media.

The two leaders discussed the potential for Ardern to make a state visit to China, although the country’s borders remain tightly controlled because it has not established control over covid-19.

Voting age issue flares

The Supreme Court declared the voting age of 18 inconsistent with the Bill of Rights Act. The government said it would put up legislation to address the decision, but any change would require the backing of three-quarters of MPs or a majority vote in a referendum. National does not support lowering the voting age and its opposition would mean any law change would fail.

Ministers are considering whether to allow 16-year-olds to vote in council elections as making the change would only require 50% of MPs.

Reprieve for landlords on healthy homes standards

The government is giving private landlords, the government housing agency Kāinga Ora and community housing providers more time to comply with the healthy homes standards. It also announced measures to regulate residential property managers and manage methamphetamine contamination.

The Clean Car Standard will be phased in with charges now deferred until June 2023 to help smooth implementation.


Urban development

The government has appointed an investigator to help find a way forward with Christchurch city council’s refusal to give effect to the national policy statement on urban development and the medium-density residential standards.

Natural hazards LIM change

The government introduced legislation to require councils to place simply understood natural hazard warnings on Land Information Memorandum (LIM) reports. It would also limit legal liability for local authorities when disclosing natural hazard information in good faith.

Fair Pay Agreements

The BusinessNZ network said it will help members negotiate fair pay agreements despite rejecting a government offer to be the default bargaining party for employers. 

Orr releases the karearea

Perhaps the most remarkable element of this week's monetary policy statement from the RBNZ was the fact that while a 50bps increase in the OCR was "discussed", it was not actively "considered".

Instead, **the monetary policy committee only actively chose between 75bps and 100bps**. As a piece of hawkish signalling to a market where the only speculation had been between 50 and 75bps, the effect – along with a very aggressive forward projection for the OCR – was **undeniably impactful**.

There is an inferred further +75bps for the February MPS, and +50bps for April's Monetary Policy Review, taking the policy rate to a peak of 5.5%. In the Aug MPS, the projected OCR peak was 4.1%.

If followed through, **short dated mortgage interest rates of around 8% become conceivable**. Until recently, RBNZ mortgage stress testing was based on a 6% peak.

A key issue for households and businesses is perhaps less what the peak is, but how long the peak lasts.

The RBNZ is dangling a short, shallow recession (1% contraction) whose most significant impact is felt through late 2023 and early 2024.

Lending rate cuts could start to emerge in early 2024 on that outlook.

However, the risk is that the recession will run deeper and longer than that.

Given the tendency for economic growth forecasts to be progressively whittled back all year, accompanied by signs of more persistent inflationary pressure, that risk cannot be discounted.

While there are some signs in the US and Europe that inflation pressures may be easing, it is too early to make that call.

One of the factors driving this new view on the future is that the RBNZ's **assumptions on the neutral OCR have risen from around 2% to well above 3%**, perhaps as high as 4%.

In speaking plainly of its intention to cause a recession, the RBNZ is also now forecasting an **unemployment peak of 5.7% where previously its high point was 5%**. However, growth in real and nominal wages continues well into 2023.

In the meantime, **the country has received a sharp "tighten your belts" message just before Christmas**. It has undoubtedly been heard.

Relative to the Aug MPS, the forecasts in this week's document see a larger correction in house prices, a much bigger drop in residential construction activity, a clearer abatement in

business investment, and less expansion in exports.

That said, the **house price correction is still forecast to be bottoming out about now**.

Further emphasising the need for an economic slowdown, the RBNZ has also roughly halved its expectations of productivity growth.

The MPS indicates little expectation of support from tighter fiscal policy, saying government expenditure would face ongoing upside pressure, "given real demands for government services".

While the NZ dollar rallied a little after the MPS, the RBNZ's model simply assumes a flat TWI, at 70.0, throughout the forecast period to the end of 2025.

Eyes on December CPI

The Dec quarter CPI will therefore become vital for a signal on whether the RBNZ risks overshooting on the downside. **The MPS forecasts an annual 7.5% inflation rate for calendar 2023, unchanged in the year to March 2023. The BNZ forecasts 6.6% and 6% respectively.**

The revised central bank outlook also makes the Dec 15 half year economic and fiscal update from the Treasury and Grant Robertson's accompanying Budget Policy Statement all the more important.

Other key information points: the next NZIER Quarterly Survey of Business Opinion on Jan 18 and the Dec quarter labour market statistics, due Feb 1.

Economic indicators

House prices appeared to stabilise a little in Oct. The REINZ national house price index rose 0.2% from Sept, although sales volumes were down 34.7% compared with Oct last year. REINZ said its index was down 10.9% in Oct compared with Oct last year and the index is down 12.4% from its peak in Nov last year.

In the Sept 2022 quarter, **farm expenses were 15% higher year on year** for all farm types, the largest increase since the series began in 1993. Rises in interest costs, fertiliser and fuel prices were notable – up 34.1%, 36.8% and 53.2% respectively.

Food prices were 10.1% higher in Oct than they were in the same month last year. Grocery food prices lifted by 9.7%, fruit and vegetables jumped 17%.

The BNZ – BusinessNZ Performance of Services Index for Oct was 57.4, up 1.5 points from Sept, and above the long-term average of 53.6 for the survey.

The BNZ – BusinessNZ PMI manufacturing index for Oct was 49.3, 2.4 points lower than Sept and is the lowest level of activity since Aug last year, when there was a nationwide covid lockdown. 🏠

CORPORATE ROUND-UP

Primary Sector

Fonterra is selling its Chilean business, Soprole, to Peru's Gloria Foods for about \$1.06b, marking a further withdrawal from global expansion plans dating back to the cooperative's earliest days two decades ago.

The outgoing **Fonterra Shareholders' Fund** chair, **John Shewan**, apologised for most unit holders' returns from the fund over the decade since its formation being "dismal, unacceptable and deeply disappointing".

A2 Milk chair David Hearn will step down from the board at the company's 2023 annual meeting, replaced by director **Pip Greenwood**. Hearn said the company hasn't ruled out setting up a manufacturing base in China. CEO **David Bortolussi** said A2's underlying performance is on track and broadly consistent with previous guidance, but revenue could grow depending on currency movements.

Comvita's honey products sales at this year's 11.11 Alibaba event were in line with forecasts.

Sanford's adjusted ebit was \$40.2m in the 12 months to Sept 30 versus \$23.3m in the prior financial year. Before the pandemic, adjusted ebit was about \$60m. It will resume paying a dividend.

T&G Global is forecasting a pre-tax loss due to heavy rains and supply issues affecting apple quality. The before-tax result for the 2022 calendar year was likely to be a loss of between \$1m and \$5m. This compares to a pre-tax profit of \$9.8m in 2021.

NZ's main farmer lobby groups presented a united front against the gov't's emissions proposal as it stands, agreeing on nine core issues, including the claim that current **methane targets are wrong and need to be reviewed**.

Ravensdown is trialling shipping 5,000 tonnes of phosphate rock from the newly commissioned **Ardmore Mine** in Queensland to its Christchurch and Dunedin processors. It follows criticism for importing rock from the disputed Western Saharan region.

Energy and resources

The **Tiwai Point aluminium smelter** is likely to seek a long term electricity supply contract through to the late 2030s, with multiple suppliers and a smaller load from **Meridian Energy** than in the past, and a variable pricing system, says **Forsyth Barr**.

The electricity system broke a record in Nov, reaching 99% renewable generation for the first time. **Transpower** said that full hydro lakes, strong winds and thermal generation being out for maintenance meant renewable generation broke several records.

Unions were the latest to question the profits made by the major electricity companies and call on the government to impose extra taxes. Finance minister **Grant Robertson** said he was not convinced by the argument.

The **Electricity Authority** is understood to be considering the need for a radical change with a split of Transpower functions and more coordination of lines companies into one new entity.

Firstgas Group will buy electricity lines company **Eastland Network** for \$260m from community trust-owned **Eastland Group**, conditional on **Overseas Investment Office** approval because Firstgas is owned by Australian **Igneo Infrastructure Partners**.

Channel Infrastructure's revenue for FY 2023 is now expected in the range of \$125m to \$128m – up from its previous guidance of \$116m to \$120m due to the inflation indexing in long-term contracts. Channel announced **Rob Buchanan**, who is the growth and trading general manager at Manawa Energy, will replace **Naomi James** as chief executive in 2023. Manawa CEO **David Prentice** expressed "surprise" at the announcement.

Officials are floating the idea of the gov't running a **secondary carbon market** in addition to those currently operating.

Banking, finance and insurance

ANZ's NZ arm paid a \$1.924b dividend in the year to Sept 30 to its Australian parent, reflecting the easing of RBNZ's restrictions on dividend payouts.

Westpac is exploring a partial sale of its peer-to-peer payments platform, Buck, after running a limited trial last year.

ANZ and **BNZ** asked parliament to refine the **Deposit Takers Bill** and allow more time for its implementation once passed.

The **RBNZ** is considering a material breach of the anti-money laundering act by ANZ, which self-reported after identifying three prescribed transaction reporting matters had not been filed within the required timeframe.

Wholesale and retail

First-quarter group sales at the **Warehouse Group** were \$764.7m for the 13 weeks ending Oct 30 2022, up 21.2% on the first quarter of the previous financial year and up 12.3% on the same period in 2020, which was the last pre-covid comparative period.

Turners Automotive Group posted Sept half-year \$23.4m NPAT, compared with \$23.2m for HY21. Total revenue for the period was \$185.3m, up 11% from the same period last year. Interest expense was up 106%.

KMD Brands total sales rose 62% in Q1 of FY23 from the same quarter last year and 18% above the same quarter in the pre-covid 2020 financial year. Underlying profit rose by nearly \$30m year-on-year.

Countdown agreed to a collective agreement with a 19% pay rise over two years.

Transport

Napier Port's underlying net profit for the year ended to Sept was \$18.6m, down from \$22m.

Air NZ said it completed a successful trial at LAX of biometric verification technology instead of checking documentation. It plans to roll out the changes through its US operations initially.

Manufacturing and construction

Metroglass intends to cut costs by \$8m-9m due to pressures affecting the construction sector.

Technology and IT

Trade Me's holding company **Titan Parent NZ** said classified revenue for the group was \$225.6m, up 23% on the prior period. It reported a net loss of \$2.3m compared to a profit of \$4.3m in the June 2021 year. The site has raised motoring advertising rates significantly in recent weeks.

Trade Window reported a \$7.1m net loss after tax for the six months to Sept 30, on a 16% increase in revenue for the half, compared to the same period last year. On an Ebitda basis, the firm's loss was up 7% on the previous corresponding half, at \$5.9m.

Software product development company **Ackama** bought Australian counterpart **Common Code** for \$2.7m in cash and shares, increasing Ackama's headcount by 90% and its revenue to \$12m.

Service industries and healthcare

Ryman Healthcare's net profit for the six months ended Sept fell to \$194m from \$281.5m in the same six months last year, with the value of its villages gaining \$89.3m compared with the \$178.7m gain last year. The underlying result rose to \$138.8m in the latest six months from \$95.9m. **Summerset Group** purchased a seventh property in Victoria, Australia, for an undisclosed price.

Matt Adams, Good Spirits Hospitality chair, said a deal could be imminent as it appoints investment bankers to help keep the company afloat.

Mark Winter took over as CEO of **My Food Bag**, having filled in as interim CEO since the resignation of **Kevin Bowler** last month. The company's shares fell sharply after reporting a net profit of \$5.9m in the first half of its financial year, down from \$9.4m the

year before. Underlying earnings fell to \$11.5m from \$15.8m, and revenue was down \$4m at \$94.4m.

Tourism

Skyline Enterprises is confident covid-19 is "receding into the review-view mirror" and is expecting a strong summer for its NZ businesses despite high inflation, constrained supply, and a tight employment market.

The **hotel sector** returned to occupancy levels of 96% compared to pre-covid levels. However, staff shortages are limiting the number of available rooms ahead of summer.

Life pass holders for the financially troubled **Mt Ruapehu ski field** are being asked if they would pay to continue using their passes and keep the operation afloat.

Property

Argosy Property posted a net profit of \$10.7m for its Sept 30 half-year results, a 92% drop from the same period last year. Revenue from operations was \$55m, up 3.6% from the Sept 2021 half-year results.

The Australian developers of Queenstown's planned \$1b **Lakeview-Taumata** residential precinct face consent issues after an expert panel sought lower building heights for the 500 unit development.

Corporate actions

Infratil said its share of its investee companies' operating profit rose 11% in the first half, reflecting strong performances from **CDC Data Centres**, **Vodafone** and **Wellington Airport**. Its proportionate earnings rose to \$275.6m in the six months ended Sept, from \$248.4m in the same six months last year.

Capital markets

NZX announced the purchase of **QuayStreet Asset Management** from **Craigs Investment Partners** for up to \$50m. The stock market operator's **Smartshares** subsidiary will pay \$31.25m, \$22.5m in cash and a \$8.75m in shares priced at \$1.332 each, a 10% premium of the five-day volume weighted average price.

Technology acquisition company **Blackpearl Group** is planning to list on the NZX.

The **NZX's** regulatory arm asked **UBS** to pay a penalty of \$20,000 for a moderate breach of rules in relation to a large sell order for an offshore client.

People

Auckland business identity **Mark Franklin** died while being treated for cancer in Australia. 🇳🇿

LEGISLATION

Final straight

The last scheduled parliamentary sitting day is Dec 15 and the usual end of year legislative rush is under way. However, it takes on a greater sense of urgency this year as 2023 sitting programme will be curtailed due to the election and the legislative clock is ticking. The government used extended sitting hours provisions numerous times this month and the House went into Urgency this week. Major legislation being dealt with included RMA and three waters reform as well as supermarket regulation. The first sitting day next year will be Feb 14.

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

Bills introduced

Natural and Built Environment Bill – Introduced Nov 15. *Replaces and repeals the Resource Management Act in tandem with the Spatial Planning Bill.*

Spatial Planning Bill - Introduced Nov 15. *Provides for the development and implementation of long-term, strategic spatial planning through the development of regional spatial strategies to replace the current plans with a smaller number of consolidated plans.*

Fuel Industry Amendment Bill - Introduced Nov 15. *Provides a threat of wholesale price regulation, subject to an inquiry and recommendation from the Commerce Commission.*

Grocery Industry Competition Bill - Introduced Nov 21. *Creates a Grocery Commissioner at the Commerce Commission.*

Sustainable Biofuel Obligation Bill - Introduced Nov 9. *Requires fuel importers or refiners (exaviation fuels) to reduce emissions intensity by blending sustainable biofuels. First reading Nov 15 with National and Act vowing repeal. Sent to the environment committee.*

Crown Minerals Amendment Bill – Introduced Nov 22. *Primary purpose is to change the purpose of the Crown Minerals Act from promoting to managing mining activity, to managing it. The bill is to be sent to select committee.*

Arms (Licence Holders' Applications for New Licences) Amendment Bill - Introduced and first reading Nov 8. *Amends the Arms Act to extend the validity of firearms licences for applications delayed in processing. Reported back Nov 17.*

Customs and Excise (Arrival Information) Amendment Bill - Introduced Oct 26. *Changes arrival information obligations to help with customs-related border management matters. First reading Nov 8, all parties in favour, sent to the foreign affairs committee.*

Fair Trading (Gift Card Expiry) Amendment Bill - Bill in the name of Melissa Lee drawn from the ballot and introduced Nov 11 to prohibit the sale of gift cards with an expiry date less than three years after the initial sale date.

Inspector-General of Defence Bill - Introduced Oct 27 to establish the offices of Inspector-General of Defence and Deputy Inspector-General of Defence for an oversight regime for the Defence Force. *First reading Nov 9.*

National opposed. Referred to the foreign affairs, defence and trade select committee.

Legal Services Amendment Bill - Introduced Nov 16. *Repeals Legal Services Act provisions on user charge payment and interest charged on unpaid legal aid debt.*

Bills in progress

Business Payment Practices Bill - Introduced Oct 26. *Introduces a regime intended to bring transparency to 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. First reading on Nov 8, opposed by Act and sent to the Economic Development, Science and Innovation Committee.*

Climate Change Response (Extension of Penalty Transition for Forestry Activities with Low Volume Emissions Liabilities) Amendment Bill - Introduced Oct 4. *Extends a transitional regime due to expire which allows for lesser ETS penalties for small forestry owners who cut down trees from pre-1989 forests and fail to surrender or repay units. First reading on Oct 18, supported by all parties except Act and sent to the environment committee to be reported back by Nov 11. Reported back on Nov 11 without changes. Second reading on Nov 16 with all parties in favour.*

Companies (Directors Duties) Amendment Bill - Introduced Sept 23. *The member's bill in the name of Labour's Duncan Webb seeks to make clear a company director may take actions that take into account wider matters other than the financial bottom-line. This may include matters such as the principles of te Tiriti, environmental impacts, good corporate ethics, being a good employer, and the interests of the wider community. After being put on hold for a year, the bill was put forward for first reading on Sept 21, debate was interrupted with National indicating opposition. First reading completed on Nov 9 with National and Act opposed sent to the Economic Development, Science and Innovation Committee.*

Companies (Levies) Amendment Bill - Introduced June 2. *Permanently puts in place changes made under Companies Office Registers Funding Validation Bill to allow the Companies Office to manage its registries as a portfolio when collecting and administering fees. First reading on June 21 and sent to the Finance and Expenditure Committee with National opposed. Reported back on Nov 10 with minor changes. Second reading on Nov 15 with National opposed.*

Employment Relations (Extended Time for Personal Grievance for Sexual Harassment) Amendment Bill - Bill in the name of Labour MP Deborah Russell, introduced Oct 21. *Extends the time available to raise a personal grievance that involves allegations of sexual harassment from 90 days to 12 months. First reading on May 18 with all parties in support and sent to the Education and Workforce Committee. Reported back on Nov 1 with minor changes. Second reading Nov 10 with all parties in favour.*

Natural Hazards Insurance Bill - Introduced March 16. *Replaces the Earthquake Commission Act 1993 and changes the name of the Earthquake Commission to Toka Tū Ake – Natural Hazards Commission. The overarching objectives of the changes are to enable better community recovery from natural hazards, to clarify the role of*

the Commission and the cover provided. First reading on March 30 and sent to the Finance and Expenditure Committee with all parties in agreement. Reported back on Sept 29 with minor changes. *Second reading on Nov 15 with all parties in favour.*

Remuneration Authority Legislation Bill - Introduced Oct 11. Transfers responsibility for determining the remuneration of certain judicial and statutory officers to the Remuneration Authority. First reading Oct 26 and sent to the Justice Committee with the support of all parties. Reported back on April 19 with no changes. Second reading on Sept 1 with all parties in favour. *Committee stage completed on Nov 15.*

Sale and Supply of Alcohol (Exemption for Race Meetings) Amendment Bill - Bill in the name of National MP Ian McKelvie drawn from the ballot and introduced Oct 21. Provides an exemption from section 235 of the Sale and Supply of Alcohol Act for racing clubs on the days of race meetings if alcohol consumption takes place when the club holds either an on-licence or an on-site special licence that applies to the race meeting. First reading completed on June 8 and sent to the Governance and Administration Committee on a personal vote by 76 to 42 with one abstention. *Reported back on Nov on 21 with no substantive changes.*

Security Information in Proceedings Legislation Bill - Introduced Nov 25. Amends several pieces of legislation to provide an overarching framework for dealing with national security information in court proceedings. It is the government'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 on Dec 14 with all parties in support and sent to the justice committee. Second reading completed on Sept 29 with the Greens and Te Paati Māori opposed. *Committee stage completed on Nov 15.*

Water Services Entities Bill - Introduced June 2. The bill is the first in a suite of legislation to implement the three waters reform. In particular, it creates the framework for four publicly owned water services entities created out of councils existing water assets. First reading on June 29 opposed by National and Act. Sent to the Finance and Expenditure Committee. Reported back on Nov 11 with a number of amendments but the substantive thrust of the bill retained. *Second reading on Nov 16 with National and Act still opposed.*

Bills passed/defeated

COVID-19 Public Health Response (Extension of Act and Reduction of Powers) Amendment Bill - Introduced Nov 22. *Two year extension to the covid protection powers under the Act but reduces some powers, restrictions, and punitive measures. Policy intent is to produce an overarching epidemic response law. Passed through all stages under urgency Nov 22 with the Greens, Act and Te Paati Māori opposed.*

Dairy Industry Restructuring (Fonterra Capital Restructuring) Amendment Bill - Introduced Sept 20. Allows Fonterra to undertake a capital restructuring and includes a new monitoring and milk price setting regime giving the Commerce Commission increased powers to make directions. First reading interrupted on Sept 22 with National indicating support with some concerns about the new oversight regime. *First reading completed on Oct 27 and sent to the primary production committee for limited consideration. Reported back on Nov 10 with minor changes. Third reading completed Nov 24 with the Greens and Te Paati Māori opposed.*

Land Transport (Clean Vehicles) Amendment Bill (No 2) - Introduced Nov 22. Changes the Clean Vehicle Standard, delaying and phasing in vehicle importers requirements. *Passed through all stages Nov 22 opposed by Act and the Greens.*

Electoral (Māori Electoral Option) Legislation Bill - Introduced June 21. Would allow people to transfer between the Māori and general electoral rolls at nearly any time, and as many times as they wish. First reading on June 30 with National and Act opposed. Referred to the justice committee to be reported back by Nov 3. Reported back on Nov 1. *National and Labour agreed to amendments which placed some limitations, and the second reading was completed on Nov 8 with just Act opposed. Committee stage completed on Nov 15 and third reading on Nov 16 with no parties opposed.*

Electoral (Right to Switch Rolls Freely) Amendment Bill - Member's bill in the name of Rawiri Waititi introduced June 9. It would allow Māori voters to switch between the Māori and non-Māori electoral rolls at any time. *First reading on Nov 9 and voted down with only the Greens and Te Paati Māori in favour.*

Plant Variety Rights Bill - Introduced May 11. Replaces the Plant Variety Rights Act 1987, reforming the regime and implementing the Crown's obligations under the Treaty of Waitangi in relation to the plant variety rights regime and obligations under the CPTPP. First reading completed on May 19 with the Greens opposed and sent to the Economic Development, Science and Innovation Committee. Reported back on Nov 19 with a large number of changes. Second reading completed on May 10 with the Greens and Te Paati Māori opposed. *Committee stage completed on Nov 9 and third reading on Nov 15 with Labour 64 and National in favour.*

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 on July 27, opposed by the Greens and Te Paati Māori. Referred to the foreign affairs, defence and trade committee. Reported back on Oct 20 with minor amendments mostly relating to the administration of the apple and pear quota arrangements. Second reading completed on Oct 27. *Committee stage completed on Nov 8 and third reading on Nov 9 with Greens and Te Paati Māori opposed.*

