

Losing Michael Wood

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The loss of Michael Wood from the Hipkins Cabinet is the most serious of the three departures of Chris Hipkins's premiership. Not only was Wood one of Labour's most competent ministers, but the psychological impact on supporters – particularly in Auckland – is serious. These wounds were self-inflicted and inexplicable. There is no blaming the Opposition for this outcome.

Still a very tight race

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With fewer than four months to run to election day, the race is still very tight. Former National Party leader, now Auckland Chamber of Commerce head Simon Bridges was frank in his assessment that it was "astonishing" that National was not well ahead given the mix of ministerial blunders, recession, crime fears, race issues, and health and education sector crises.

When will Labour unveil tax policy?

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The Greens released a tax policy that seemed to find favour with the left and the commentariat, and involves a 2.5% annual levy on the value of personal assets above the value of \$4m. It must be an open question whether Labour is formulating a slightly less ambitious version of a similar policy to present a united coalition option for left-leaning centrist voters. National is obsessed with the idea that Labour has used Treasury to advise it on tax policy that will become party policy.

The China tightrope

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Chris Hipkins heads to China as the first political leader of a Five Eyes country to visit Beijing since the pandemic, and a week after an important ice-breaker visit between Xi Jinping and US Secretary of State Anthony Blinken. Hipkins has never previously held foreign policy or defence and security portfolios. His capacity to remain sure-footed in this environment will be a serious test.

National's pre-election conference

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The National Party heads into the weekend hosting its pre-election conference in Wellington, which is a bit of a surprise given that Christopher Luxon professes a desire to get out of the city as often as he can. Expect set-piece positioning and some new economic and police policy.

MPs looking over their shoulders

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If National wins plenty of electorates and Act does very well in the party vote, it could create problems for some senior list-only National MPs. Labour's Maori MPs, on the other hand, are flocking to the list, apparently fearing Te Pati Maori's capacity to unseat them.

CEO Retreat, 7-9 September

The next Hugo Group CEO Retreat is scheduled to run from **dinner on Thursday Sept 7 to lunch on Saturday Sept 9 at Millbrook Resort. A programme outline will be sent to you in coming days.**

A torrid week for Labour

Michael Wood's resignation capped off a torrid week for the govt, which saw it forced to adjust its flagship Budget policy of extending Early Childhood Education subsidies to 2 year-olds after the sector complained it would put some centres out of business; launch a review of a new tool designed to rank patients who have been waiting more than two years for surgery, after it sparked an outcry; and face questions over whether Race Relations Commissioner Meng Foon – a govt appointee – had resigned over his own conflict of interest scandal.

Kelvin Davis's parliamentary performance in response to reports that two Oranga Tamariki had sexually abused children in state care was further proof that Davis is a tone-deaf to general NZ politics and has made no appreciable difference to the agency he insisted on governing, starting with the ousting of the previous CEO, Grainne Moss.

Add to that striking secondary school teachers, fear and anger at universities and polytechnics over large-scale staff cuts, and a backdown over Budget policy on access to early childhood education, and the govt is looking remarkably ragged at present.

In short, the govt is beset by a cascade of errors and transgressions, some big, some small, but all contributing to a narrative of a team that's running out of puff.

Hipkin's only saving grace at the moment is the opposition itself. Leader Christopher Luxon blundered his way through questions about race in the health system – a topic meriting a bit more nuance.

He first suggested people should be ranked on clinical need alone, and later drifted closer to the view of his health spokesman Shane Reti who said that by targeting deprivation as well as need, the health system could address health inequities without explicitly targeting race.

Luxon also managed to make a mountain out of a molehill with a clumsy response to two mini-scandals involving his purchase or attempted purchase of subsidised Teslas, despite his personal criticism of subsidies for the vehicles.

Speaking at a public event in Auckland this week, Luxon's predecessor, bar two, Simon Bridges suggested that the failure of both the traditional parties to crack 40% support was an "indictment on them both" and said the election was the closest he'd observed.

Current economic conditions, fears about crime, and ministerial scandals should have meant the election was a "laydown misere" for National, he said.

The polls

Labour and National remain essentially neck-and-neck in the polls. A leaked poll from Labour's pollster Talbot Mills had Labour on 36% (+3), National on 35% (-1), Act on 11% (+1), the Greens on 7% (-2) and, and Tē Pāti Māori on 3.65% (-).

Election tax policy

Labour's next big challenge is the release of its tax policy, which is apparently imminent. The current speculation is that aspects of it could look like the Green Party's policy, in which tax hikes on some are used to pay for income tax cuts elsewhere. With the Greens now promising tax cuts of a kind, it would be untenable for Labour to be the only party to go to the election not promising some form of tax cut.

National is convinced that Labour sought advice on tax reform options from the Treasury that it rejected for the Budget but has used for party policy formulation.

Hipkins does not deny National's allegation that some form of post-Cyclone tax went to Cabinet earlier this year.

Labour has been trailing its coat on a new tax policy for months, to the extent that it appears likely to be a centrepiece of what is becoming an election where its willingness to gamble on big ideas must surely be rising.

The tide is going out on the govt with its current policy array.

It will have seen the relative acclaim from the left for the Greens' tax policy and may be looking to dovetail with that.

The Greens' \$10,000 income tax-free threshold idea has political appeal, even if it delivers that benefit to all taxpayers, rich or poor.

So, too, does its suggestion of what sounds like a small 2.5% annual tax on people whose personal assets are valued above \$4m. Given that this would hit many rural property owners and retired people with savings, it is unlikely that 2.5% would survive.

Might a lower rate of wealth tax tempt Labour?

China calling

Prime Minister Chris Hipkins's weeklong diplomatic and trade mission to China from Sunday involves a 30 businesspeople along with journalists, officials, and the winners of the Te Matatini kapa haka festival, Te Whānau a Apanui.

Air NZ ceo Greg Foran, Fonterra chair Peter McBride and Zespri chair Bruce Cameron are obvious

delegates. Less obvious are two representatives from the gaming sector. As a tech sector play, the barriers to working in China are rising strongly at present.

Hipkins is getting the full diplomatic honours, meeting Zhao Leji, Chairman of the National People's Congress, Premier Li Qiang, and President Xi Jinping.

Before Hipkins left NZ, the Chinese ambassador in Wellington distributed a letter urging him to "strive to be first to jointly open a new chapter of China-NZ strategic partnership". This noted that NZ and China would not always agree on anything, but should get along fine as long as NZ stayed out of China's internal affairs.

Put on the spot by reporters over **Joe Biden's description of Xi as a "dictator" this week, Hipkins said he did not subscribe to that view.**

The visit is significant in China to the extent that Hipkins is the first head of a Five Eyes nation to be hosted by China since the pandemic and follows the meeting this week between Xi and US Secretary of State, Anthony Blinken.

The Beehive has put forward "climate change, economic stability, regional and global security, human rights, and the war in Ukraine" as official topics of discussion. A couple of touchy topics to keep an eye on: NZ's position in the AUKUS agreement, and economic coercion.

The return of Chinese students to NZ universities is of critical importance, with an influx at Auckland University not being matched elsewhere. Foran recently warned that Chinese tourism is likely to be slow to come back because of a backlog of passport and visa applications.

On economic coercion, NZ officials in Paris signed up a fortnight ago to a Western-led declaration against economic coercion, which, though it mentioned no country by name, was clearly directed at China and drew the ire of the Chinese Embassy in Wellington.

Michael Wood bows out ... for now: implications

Demanding as the China tour will be, Hipkins may welcome some time out of NZ after particularly bruising weeks in which he lost another Minister, Michael Wood. The difference this time was that he lost one of his few apparently able Cabinet Ministers.

Wood's initial failure to dispose of Auckland International Airport shares after a dozen urgings was bad enough, but there was no coming back from discovering a family trust that held a range of other NZX-listed securities in areas relevant to Wood's former portfolios. The judgement blind spot here is

monumental.

In terms of portfolios, Carmel Sepuloni gets workplace relations, Andrew Little gets Immigration, David Parker gets Transport, and Kiri Allan associate finance.

Transport was where Wood was most impactful, but his departure also gives the govt room to ditch Auckland light rail support, which Wood had made a totem of his campaigns for the Mt Roskill electorate. Auckland mayor Wayne Brown expressed his preference for above-ground trams this week rather than the tunneled option now officially favoured. At his press conference on Wednesday, it took three questions for Hipkins to affirm that he stood by Labour's current commitment to build the project.

Also on Wood's plate was the draft Government Policy Statement (GPS) on Land Transport (the govt's three-year transport budget), which was due for publication this month. This will include a ruling on whether fuel taxes will go up in 2024 – with Wood hinting before he left, that they may need to rise, having been frozen after three hikes between 2018 and 2020.

Wood's capacity to provide further embarrassment will be decided by whether he is called to appear before the privileges committee, like his colleague, Education Minister Jan Tinetti.

Meanwhile, Tinetti will probably keep her job, given Labour ultimately has the votes to avoid privileges finding against Tinetti recommending the House censure her.

Whether Wood will stand again at the election isn't clear. Once touted as a leader and with a good prospect of toppling Hipkins if Labour loses on Oct 14, Wood's tarnished escutcheon may prove a barrier to such aspirations. We believe he could return to Cabinet in a re-elected Labour-led government, purely because of the relative lack of other talented candidates.

National's pre-election conference

The National Party's annual conference is in Wellington this weekend and will stick to the election year script of deputy Nicola Willis stirring the crowd on Saturday with an economy-focused tub-thumping speech and Christopher Luxon taking the stage the next day to announce a law and order policy.

National is directing a lot of its current focus at shoring up its right flank from Act, which is

Local govt reform

Nothing will change before the election, but an alleged "once in a generation" set of recommendations on the future of local govt lays the groundwork for significant shifts in funding mechanisms beyond rates and levies.

In particular, the report recommends that councils be allocated a share of GST collected on rates. It also recommends 16 as the voting age for local bodies.

challenging National in affluent Auckland electorates and in National's rural heartland.

The quality of Act's presence at National Fielddays, for example, was an example of just how well-funded and chipper the party feels. National's tent, by comparison, was flat, although National MPs got a better reception than the polite and tepid welcome for Hipkins.

National's efforts to undermine the Act vote, however, are bemusing both Act and Labour. Act reckons National should be going after votes in the centre. Labour, too, is confused, thinking National's backtracking on urban density and agricultural emissions policies won't play well with the moderate, climate change conscious, middle-income, but non-property-owning mid-30s marginal voters who will decide the election.

Risk to Nat list MPs

If Act's polling is too strong, it does present a risk to senior, sitting list MPs such as Nicola Willis and Chris Bishop, particularly if National performs strongly in rural electorates.

This is a real possibility. Rural and regional voters may choose to give their party vote to Act while voting National in their electorates.

Willis, at number 2, will be safe and may even take Ohariu from under-performing Labour MP Greg O'Connor. But the future for the likes of Gerry Brownlee, running list-only this year, and James Christmas, a lawyer tipped to be the next Chris Finlayson, because of his involvement in Treaty settlements, is less assured.

More headaches for Labour in the Maori seats

Labour is facing an even larger challenge in the Māori seats than first thought, with news Nanaia Mahuta is going list-only this election, vacating her electorate in what is assumed to be a heavy contest from Te Pati Māori. She joins Meka Whaitiri, Speaker Adrian Rurawhe and retiring MP Tamati Coffey in not running in their 2020 seat at the 2023 election.

Tamaki Makarau's Peeni Henare still has not decided whether he will run again in his seat. If he too goes list-only, it will mean only Te Tai Tokerau's Kelvin Davis and Te Tai Tonga's Rino Tirikatene are left of the 7 Labour candidates who contested the seats in 2020 (and won 6). There is a real sense that Tē Pati Māori is mounting a strong challenge.

Carbon market uncertainty

The price of NZUs in the ETS fell below \$50 for the

first time since 2021, reflecting a mounting range of factors causing investor uncertainty.

Having peaked at \$88.50 late last year, the price of a tonne of carbon in the ETS has been falling since the govt rejected Climate Change Commission advice on tighter settings. That has resulted in two carbon auctions failing to clear, the second on June 14.

Adding to the current uncertainties is the govt's release of four proposals to reform the ETS, and the National party's new policy on agricultural emissions, which would push out decisions on emissions pricing to 2030 from 2025.

It remains unclear whether the govt has any negotiating leverage to push through some resolution to the stalled He Waka Eke Noa negotiations. Chris Hipkins indicated at Fielddays that there was still potential for an outcome. Ag minister Damien O'Connor is understood to be pushing the sector hard over the need for a credible approach to emissions if NZ producers are not to find their product penalised in some international export markets.

The options for ETS reform are wide-ranging and create uncertainty in two particular areas: the extent to which forest planting will be available to large emitters to offset rather than reduce emissions, and the govt's apparent preference to establish a new carbon trading platform that would undermine existing unregulated platforms.

The potential for prolonged uncertainty is real. No decisions on the proposals will emerge until after the election.

Tweaks to skilled migrant regime

One of Michael Wood's last acts as Immigration Minister was to soften elements of the skilled migrants regime. In short:

- no cap on highly skilled workers;
- new six-point system to give certainty to migrants on their eligibility;
- clearer criteria and faster pathway to residence for highly skilled people;
- extension of Accredited Employer Work Visa (AEWV) to five years and introduction of five-year maximum continuous stay AEWV.

RMA reportback next week

The environment select committee remains on track to report back the **Natural and Built Environment Bill and Spatial Planning Bill – the replacement legislation to the RMA – on Tuesday next week**, according to the committee chair, Eugenie Sage. 🇳🇿

A small 'r' recession

GDP fell 0.1% in the March 2023 quarter, following an updated 0.7% fall in the Dec 2022 quarter, Stats NZ said. That confirmed NZ experienced a technical recession – two quarters of negative growth – and may be into the third quarter now.

The result was political manna to the gov't's critics, but within the margin of forecast error and is consistent with a shallow retraction in which employment remains strong.

Unemployment may rise from current low levels, with job ads falling and the migration influx making labour easier to find.

Just over half of the industry segments showed a decline in the March quarter. Business services was the biggest downwards driver, down 3.5%. This was partly offset by a 2.7% rise in information media and telecommunication.

Food price inflation remains stubbornly high, showing a 12.1% increase in the year to May.

Peak stagflation?

One way to characterise the current environment is that the economy is at "peak stagflation": two quarters of negative growth; a labour market that is unsustainably tight; and inflation well above the Reserve Bank's target.

But the worm is turning. Inflationary and labour market pressures are easing, and interest rates have probably peaked.

The **outlook is brightening** with a solid bounce in activity expected in the second half of next year. In the interim, however, there is more pain to be felt as the economy bounces along the bottom torn between rising immigration and higher interest rates. And, of course, politics takes centre-stage as the general election approaches.

BoP deficit still 8.5% of GDP

The **annual current account deficit** was \$33b (8.5% of GDP) in the year ended March 2023 31, according to Stats NZ. This compared with an annual current account deficit of \$34.4b (9% of GDP) in the year ended Dec 31 2022. The annual current account deficit was \$24.2b (6.8% of GDP) in the year ended March 31 2022.

Economic activity and confidence

The **BNZ/BusinessNZ performance of services index** was up 3.2 points from April to 53.3 in May, but still under the long-term average of 53.6. All five components of the index were above 50 – regarded

as a signal of expansion. The manufacturing index slipped into contraction to 48.9, with the long-term average 53.

The sector had remained in contraction over the past three months, with both production (45.7) and deliveries (46.0) below the 50-point mark. Beyond seasonal factors such as weather, comments were focused on slowing orders, deteriorating demand and lower sales levels.

The quarterly **Westpac McDermott Miller Consumer Confidence index** rose 5.4 points in the June quarter to 83.1 (over 100 indicates a positive picture).

Immigration boom continues

Stats NZ said immigration data for the year ended April 2023 compared with the year ended April 2022 showed migrant arrivals were 171,800 ($\pm 1,700$), up 208%, migrant departures: 99,500 ($\pm 1,100$), up 33%. Annual net migration was a gain of 72,300 ($\pm 1,800$), compared with a net loss of 19,300 (± 100) a year earlier. The migrant arrivals and departures for the April 2023 year are above the long-term average for April years (pre-covid 2002–2019).

Housing

ASB's Housing Confidence data said more NZers believe the housing market has bottomed out, with a net 34% expecting house prices to fall further, down from net 43% last quarter. A growing number expect home loan rates are nearing their peak, but more than half (net 59%) still anticipate further interest rate rises. Is it the first meaningful positive shift in house price expectations in the series since mid-2021.

There were 160 more residential housing auction sales in May than the previous month, with the proportion increasing from 9.2% in April, driven by activity in Auckland, the **Real Estate Institute** said.

Employment

Advertised salaries increased by 4.7% in the year to May 2023, the fastest annual growth recorded by **Seek NZ** since its data collection began in 2016.

But job ad numbers declined 5% month-on-month and were 22% lower than May 2022, when job ads were at their highest on record.

Other

A report by **Sense Partners**, commissioned by **BusinessNZ**, said inflated profits are not the driving force behind inflation. It found 75% of price increases for the non-financial sector of the economy are made up of input costs with the remainder was made up of equal parts wages and profit. ■

CORPORATE ROUND-UP**Primary Sector**

The Fieldays events attracted a larger number of attendees and politicians than last year, but overall numbers were still below pre-covid highs and anecdotal reports said there was less spending than in the past.

Chris Hipkins indicated interest in reviewing genetic technology legislation following National saying it would create a stand-alone biotechnology regulator and end the effective ban.

Bright Dairy Holding appointed **Ryan Liu Ruibing** and **Julia Zhu Yi** as new directors on the **Synlait Milk** board, replacing Joyce Min Chen and Gracie Gui Min.

Energy and resources

Fonterra is seeking expressions of interest from the electricity industry for an initial 1.3 Terawatt hours of supply from 2026/27 as it weighs a **NZ Steel**-style deal with the gov't's GIDI decarbonisation fund. The cooperative announced in Feb that it will trial MAN heat-pump technology in milk drying as a possible replacement for coal and gas-fired boilers currently in use. Using heat pumps, if successful, would not only reduce fossil fuel emissions, but cut by as much as half or more the total energy requirements for milk drying. The co-op is also expressing a longer term interest in a second tranche of 1.3TWh. If firmed up, such demand would underpin demand for new renewable generation.

A partially redacted Cabinet paper detailing discussions with on NZ Steel's GIDI deal to instal an electric arc furnace shows the steelmaker is seeking ongoing monitoring of key issues including the availability of coal for use in steelmaking for the part of the plant that continues to use traditional processes, and that there is sufficient scrap metal available in NZ to support the EAC manufacturing process. NZ Steel sought, but officials advised against, being allowed to retain their existing industrial allocation of NZUs to assist the economics of the deal.

Parliamentary Commissioner for the Environment **Simon Upton** published new analysis that appeared to support the economics of Project Onslow. It suggested Onslow's 100-year-plus lifespan justified a very low WACC of 2% and should be taken into account when considering the \$16b estimated cost. The analysis is somewhat problematic in that it does not extend beyond the electricity system. As a result, it does not, for example, attempt an economic impact assessment of the closure of the Tiwai Point aluminium smelter. Upton is concerned, nonetheless, that too much of the debate on decarbonisation and energy transition is dominated by self-interested

commercial parties, particularly the dominant generator-retailers.

Banking, finance and insurance

The gov't has tasked the **Commerce Commission** with conducting its next formal **market study** into competitiveness in personal banking. An issues paper will be issued in Aug, with a final report due in Aug 2024. The major banks appeared sanguine about the long-expected move and are already dusting off their talking points about the importance of a sound banking system to NZ's economic health. The timing of the announcement clearly has a political component, coming as it does within four months of the Oct general election.

The **Reserve Bank** is seeking submissions on whether to allow a wider range of financial intermediaries access to its settlement system. Legislation currently going through Parliament to bolster the financial stability of non-bank deposit takers suggest that this group may be granted access.

MBIE published a discussion document on the **Customer and Product Data Bill**, which seeks to redraw the line between the requirement to protect consumer data and the right of consumers to use their personal data to transfer to another provider.

A public appointment process has started for two external members of the **Reserve Bank's Monetary Policy Committee**. The new appointees will replace Caroline Saunders and Peter Harris when their terms end in 2024.

Payments system operator **Smartpay** had customer information stolen in a ransomware attack.

Telecommunications, media & entertainment

News publisher **Stuff** announced further internal restructuring into three units – digital, print, and commercial – amid signs that editorial staff are preparing to strike over job cuts and salary constraint.

A three-person panel headed by media lawyer **Willy Akel** will review **RNZ's** editorial processes following the discovery that new agency stories had been altered to reflect the sub-editor's political views. The sub-editor at the centre of the controversy, Whangarei-based **Michael Hall**, has resigned after being stood down.

Wholesale and retail

Countdown and **AA Smartfuel** said their rewards partnership will come to an end in early 2024.

Manufacturing and construction

Fletcher Building revised its earnings guidance to

the bottom end of its previous range, picking ebit of around \$800m for the year to June 30. Slow house sales contributed to a more cautious outlook than the previously announced range of \$800-\$855m.

Courts, legal and regulation

A high court ruling invalidated the pharmacy licences of at least two **Countdown** pharmacies.

An insider trading case brought against **Eric Watson** is set down for a five-day trial in April 2024 in the southern district of New York court.

White Island Tours pleaded guilty to charges laid under the Health and Safety at Work Act, related to their tour operations at Whakaari and the volcanic eruption.

The **Commerce Commission** released its draft decisions on its regulatory input methodologies governing energy networks and major international airports.

Service industries and healthcare

Vital renewed its banking facility with **BNZ** for a further one year term, to Jan 2025 following an 8% or \$1.1m net debt reduction during FY22 as part of its ongoing performance reset.

Two senior **PwC** auditors have appeared at a **Chartered Accountants Disciplinary Tribunal** hearing in relation to alleged failures during an audit for **Fonterra**. Names and details are suppressed.

Tourism, transport and logistics

Access to waste streams may need to be regulated if sustainable aviation fuel production is to be viable in NZ, forestry and tourism minister **Peeni Henare** indicated at an event where **Air NZ** and **MBIE** announced a \$2m-plus study into potential for domestic SAF production from forestry and urban waste.

Ocean Flyer signed an agreement with **Northport** to investigate infrastructure options as part of its plans to bring 25 electric seaglidars to NZ.

Air NZ retained its place at the top of the Kantar Corporate Reputation Index for the ninth consecutive year.

Auckland-based cargo airline **Texel Air** said it would start operations with one Boeing 737-800 freighter aircraft carrying domestic cargo with plans to add two additional aircraft by the end of 2023 and 10 aircraft operating in Australasia by 2026.

DGL shares fell after it revised down its guidance for operating earnings, from between A\$71.5m and A\$73.5m to a range of A\$64m to A\$66m.

KiwiRail is to sell the freight-only Cook Strait ferry, **Valentine**, after less than two years in service.

The Pūhoi to Warkworth motorway was opened.

All state highways in Hawke's Bay and Tairāwhiti are now open after damage from Cyclone Gabrielle following completion of the Hikuwai Bailey bridge.

Creditors vetoed a proposed bailout of **Ruapehu Alpine Lifts**, tipping the skifield into liquidation.

Auckland mayor **Wayne Brown** favours above-ground trams over tunnelled light rail and the early use of congestion charging.

KiwiRail is selling the freight ferry **Valentine**, six months after buying the vessel, which it had previously leased to alleviate ferry schedule disruptions caused by breakdowns and maintenance in its regular fleet.

Corporate actions

Wellington Airport's majority shareholder **Infratil** said **Elizabeth Albergoni** will join the board replacing **Phillippa Harford**.

Scott Technology is undertaking a strategic review of its ownership structure, following discussions with majority shareholder **JBS** which owns 53% of the Dunedin-based company.

Capital markets

Dual-listed truck fleet telematics software firm **ERoad** is subject to a takeover bid by TSX-listed **Constellation Software** that values the Auckland-based firm at \$147m, based on a \$1.30 a share price. A Constellation offshoot, **Volaris**, amassed close to 18% of **ERoad** earlier this month and is promising an "escalation payment" in the event either a formal takeover or scheme of arrangement is approved at a higher price. Directors are considering the offer and **Goldman Sachs**, which had been scoping potential partners for **ERoad** to assist growth, is advising the firm, along with **Chapman Tripp**. **ERoad's** share price had fallen steeply since the unexplained exit of its long-serving CEO **Steven Newman** in April last year. It has about \$28m of headroom on a \$90m debt facility that will be exhausted in about 15 months at the current rate of monthly cash burn.

People

Anne Callinan was appointed as deputy chair at the **Commerce Commission** replacing **Sue Begg** who will remain with as an associate until the end of 2023.

NZX Smartshares announced the appointment of **Anna Scott** as CEO. Scott moves from **Hobson Wealth**, where she has been COO. 🏢

LEGISLATION

Officials accused of over-reach

A select committee took the rare step of admonishing officials for inserting amendments into 'three waters' legislation that the committee had not approved.

- 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

Fuel Industry (Improving Fuel Resilience)

Amendment Bill - Introduced June 1. Increases the minimum stock levels for petrol, diesel and jet fuel to be held in NZ; allows levies to fund this. First reading June 6. All parties in favour, sent to the economic development, science and innovation committee.

Employment Relations (Protection for Kiwisaver Members) Amendment Bill - Member's bill in the name of Tracey McLellan (L), introduced June 7. Stops discrimination against members of a Kiwisaver scheme or complying superannuation fund.

Sale and Supply of Alcohol (Rugby World Cup 2023 Extended Trading Hours) Amendment Bill - Introduced June 16. Temporarily amends the Sale and Supply of Alcohol Act 2012 to allow extended trading hours to televise Rugby World Cup 2023 games, without applying for a special licence. First reading June 6 and sent to the justice committee to be reported back by July 11. Opposed by the Greens and Elizabeth Kerekere.

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 by firms with more than \$33m in annual revenue. Second reading on June 1 with National and Act opposed.

Companies (Directors Duties) Amendment Bill - Introduced Sept 23. Member's bill of Duncan Webb (L) seeks to make clear a company director may take actions that take into account wider matters other than the financial bottom-line. Reported back May 8, committee divided on whether the bill can proceed. Second reading on June 7 with the bill's sponsor (now Camilla Belich) indicating amendments would be introduced in the committee stage. National and Act opposed.

Deposit Takers Bill - Introduced Sept 22. Follows Reserve Bank Act review. Introduces Depositor Compensation Scheme to provide depositors up to \$100,000 for covered deposits at each deposit-taking institution. Second reading June 6, Act opposed.

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

to incentivise suppliers to offer competitive terminal gate prices. Reported back May 16 with numerous technical changes. Second reading June 6. National, Act opposed.

Therapeutic Products Bill - Introduced Nov 30. Reported back June 13 with substantial changes, including exemption for small-scale manufacturers. National argued it should not proceed because of restrictions on imports and overreach.

Water Services Economic Efficiency and Consumer Protection Bill - Introduced Dec 8. Reported back June 7 with numerous changes including roles and responsibilities of the proposed Water Services Commission, the balance of cost and safety, and creating a new consumers' body.

Water Services Legislation Bill - Introduced Dec 8. Sets out the functions, powers, obligations, and oversight arrangements of water services entities. Reported back June 8 with a vast number of changes and National, Act and the Greens all filing reports opposing the bill or aspects of it. Objections related mainly to governance of the new entities and asset transfers. Unusually, the report also **admonished officials for making changes to the bill without the committee's knowledge or consent.**

Bills passed/defeated/stalled

Accident Compensation (Access Reporting and Other Matters) Amendment Bill - Introduced Nov 22. Third reading June 1 with National and Act opposed.

Child Support (Pass On) Acts Amendment Bill - Introduced March 27. Second reading May 30, committee stage May 31, third reading June 6, all parties in favour.

Employment Relations (Extended Time for Personal Grievance for Sexual Harassment) Amendment Bill - Bill in the name of Labour MP Deborah Russell (L, now Marja Lubeck) introduced on Oct 21. Third reading June 7 with all parties in favour.

Health and Safety at Work (Health and Safety Representatives and Committees) Amendment Bill - Introduced Nov 22. Committee stage May 31, third reading June 8 with no change in parties' positions.

Housing Infrastructure (GST-sharing) Bill - Member's bill in the name of Act's Brooke van Velden (Act) introduced Aug 4. Defeated at first reading June 7 with just Labour opposed.

Sale and Supply of Alcohol (Exemption for Race Meetings) Amendment Bill - Bill in the name of Ian McKelvie (N) introduced Oct 21. Third reading June 7 with 74 in favour and 43 opposed in a personal vote.

Self-contained Motor Vehicles Legislation Bill - Introduced Aug 25. Reported back with committee unable to agree on amendments or whether to let the bill proceed. Second reading May 2 with National and Act opposed. The govt introduced amendments at the committee stage on May 16. Third reading May 30 with National, Act, Greens, Kerekere opposed. 🇳🇿

