

Labour's own-goal with its base

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The practice of releasing official advice on Budget decisions is admirable and long-standing, but this year's dump has demoralised a big chunk of Labour's base, with the revelation that Chris Hipkins abandoned a tax package that would have delivered a meaningful tax cut to all taxpayers while introducing a wealth tax. The Greens will probably be the primary beneficiary.

Act prepares for the main stage

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David Seymour released a substantially reshuffled party list last Sunday. Any current sitting MP ranked below 15 is unlikely to make it back to Parliament, and two of them have announced their retirement. The preferment of some new faces over higher ranked MPs may reflect a desire for greater geographic spread than a judgement on their performance.

Security, resilience, and power – new foreign policy rules

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The most significant new assessment of NZ's foreign policy environment has been released, with MFAT explicitly recognising that the focus of the last 30 years or so on trade, economic integration and the international rules-based order is no longer fit for purpose in today's testier global context.

What a wealth tax might have looked like

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The political circumstances for yet another attempt to tax wealth or capital gains are now difficult to imagine. A centre-right govt is the increasingly likely outcome after Oct 14 and a centre-left govt led by Chris Hipkins would have its hands tied. However, the newly published Treasury and IRD advice on how to implement a wealth tax is instructive reading.

NZ First's bid for relevance

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NZ First continues to poll just well enough, at around 3%, for a return to Parliament to remain possible, but the party is failing to attract mainstream media coverage. This weekend's election campaign launch in Auckland will be important if only because the party needs to start building some momentum.

Inflation slowly cooling

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Market expectations that annual inflation would dip below 6% were not met, with some stickiness in parts of the economy. However, the 6% annual rate for the year to June was still just below the RBNZ's own forecast. Weakening commodity prices and construction sector cost pressure are positives. Early August labour market indicators will be watched closely as a guide to the inflation outlook.

Albanese visit – last diplomacy before the election?

Chris Hipkins may look back on the last couple of months and wonder whether he spent too much time out of the country or focused on foreign policy in an election year. Next week's visit by his Australian counterpart, Anthony Albanese, is likely to be his last significant international engagement before polling day.

Backlash for Labour from its own base over tax

We will never know whether Labour's abandoned plan to introduce a wealth tax next April as part of a "tax switch" package would have worked.

Treasury and IRD papers released last week suggest revenue forecasts for the proposed new regime were rubbery, at best, and with compliance costs for taxpayers estimated at \$1 for every \$5 collected, it would have been deeply unpopular for the approximately 43,000 NZers who would have been eligible.

For everybody, however, there would have been a \$20 a week tax cut from Sept 1, six weeks out from election day, thanks to creating a tax-free \$10,000 income threshold.

Whether this would have won Labour a third term will never be known. However, it is certain that it would have changed the election campaign dynamic. It would likely have made Labour more competitive.

By contrast, the release of the Budget papers outlining the wealth tax that Chris Hipkins decided not to pursue has had a profoundly demoralising impact on the Labour base.

It may not boost support for National.

But it will almost certainly shake centre-left voters loose from Labour, pushing them towards either the Greens or to a no-vote.

We do not believe that the latest One News-Kantar poll, which continues to show both traditional parties of govt hovering in low 30% territory, yet reflects the damage Labour has done to its own support.

With Hipkins out of the country for three of the last eight weeks and a run of ministerial scandals, the govt was already losing momentum.

Regaining it now will be very difficult.

While Labour is due to release an election tax policy in the next couple of weeks, soundings among senior ministers suggest there is no compelling new offer about to emerge.

We believe Labour is heading for a historically low election night result, at this stage.

What the wealth tax papers show

The Cabinet papers showing its development do show a rushed process. Until mid-Feb, the plan had been to implement a "minimum tax" approach that would try to even up the amount of tax paid by high net worth individuals who were paying below average rates of income tax.

However, by mid-March – just two months out from

Budget day on May 18 – ministers decided that was all too complex and sought advice instead on a wealth tax.

This seemed to produce a sense of relief among officials, who were able to repurpose much of the minimum tax work to a wealth tax.

The Cabinet had settled on a \$5m asset threshold, excluding the family home, with the ability for a couple to asset-split so that the tax might apply to many eligible households once joint assets were valued at above \$10m.

Valuation methods were discussed at length and a relatively simple tax return-based valuation method was proposed for privately held companies.

Art, boats, cars and other similar personal possessions would have been exempt.

Even so, the Treasury estimated about 15% of those affected might emigrate to avoid the tax and that it would take three years before tax minimisation actions would die down.

The tax switch was estimated to be roughly fiscally neutral over the first three years, albeit there were major caveats over implementation timetables and revenue forecasts.

Policy, slogans and focus groups

No completely satisfying answer has been offered for why Hipkins made his "captain's call" to drop the wealth tax switch policy that Grant Robertson and David Parker had been working on.

However, it does appear that the package performed spectacularly poorly in focus groups, particularly among farmers.

While farm owners are not traditional Labour supporters, Hipkins appears to have judged that there was already so much opposition to his govt coming from the rural sector that he could ill-afford to lose more regional support with a wealth tax. It would have been a gift to opponents, notwithstanding the revenue gain for all income taxpayers.

There were also significant issues making the income tax-free threshold mesh with the benefit system.

Meanwhile, metadata on the billboard with Labour's election slogan "In It for You" indicates it was the 22nd draft of the ad.

Campaign teams agonise over these slogans, aiming to sum up a govt's-worth of aspiration into a pithy soundbite.

"In It For You" follows 2017's "Let's Do This" and 2020's "Let's Keep Moving" and David Cunliffe's 2014 slogan "Vote Positive".

National's "Get NZ Back on Track" slogan aims to capitalise on the fact a majority of voters don't think the country is on the right track.

A net 42% think the country is on the wrong track in the July Taxpayers' Union-Curia Poll. Labour's slogan targets the weakness in Christopher Luxon's personal support, although most recent polls show Hipkins also slipping fast.

Recent polls

The latest TVNZ/Verian (previously Kantar Public) poll put National on 35% support (down 2 points), Labour 33% (down 2), ACT 12% (up 1), Green - 10% (up 3), NZ First - 3% (steady), Te Pāti Māori - 2.4% (up 1) and The Opportunities Party - 2% (up 1). The poll was taken between July 8 and July 12. Christopher Luxon was at 20% support as preferred PM, up two points from May. Chris Hipkins was on 24%, down one point.

Labour's support fell five points to 31% in the Talbot Mills polls, its lowest rating in the series since 2019. National and Act both rose one point to 36% and 12% respectively. The Green party was also up one point to 8% with Te Pāti Māori on 4.2%, NZ First 4%, and TOP 2.9%.

In the preferred PM question Hipkins was down six points to 32% and Luxon down one to 21%, on the last poll. The poll was conducted between June 28 and July 2.

David Seymour's major reshuffle

The Act Party has firmly cemented itself as the third most popular party in politics, surpassing the Greens who have held that spot since NZ First's support ebbed away last term.

Party leader David Seymour unveiled his list last weekend, with high list rankings given to some new candidates at the expense of serving members of Act's caucus.

Most notable is former Federated Farmers president Andrew Hoggard, ranked fifth, ahead of sitting MPs Karen Chhour, Mark Cameron and Simon Court.

This appears to reflect a desire to make the top of the Act list less Auckland-heavy as it continues to draw regional and rural support from National and NZ First.

Chris Baillie, an MP this term, is placed 17th, suggesting he should reconsider his future as Act stands to gain about 15 MPs on its 12% support from the most recent One News-Kantar poll.

Christchurch East's Toni Severin, invisible during this term, could squeak with her 14th placement, while James McDowall and Damien Smith are not

standing again.

As has been the case for this entire term, Act's remarkable discipline held up, and despite two significant demotions and two retirements, not one of the four obvious "losers" of this list tanking (the two retiring MPs and two who were dropped down the rankings – see below) has kicked up a significant stink about it.

Todd Stephenson, an Act member since its formation in 1993, vaults to fourth place, despite currently living in Sydney and not having lived in NZ for the last 17 years.

Founder's regret

The party's co-founder Roger Douglas emerged from relative obscurity with a 22-page open letter to voters in which he declared himself a "swing voter" for the first time, at the age of 85.

Relations between Douglas and Seymour are known to have become very strained. Douglas privately regards Act's flirting with race-based and populist crime policies as "dangerous". However, his main disappointment is that Act has entirely dropped his life's work – the advocacy of a personal savings-based approach to the funding of social services, including health, education, and pensions.

He particularly objected to Act's unwillingness to deal with bracket creep, which is more heavily taxing low and middle income earners over time, while being willing to cut the top personal tax rate.

This is anathema to Douglas, who continues to see his vision as fundamentally egalitarian. The letter provoked a round of difficult headlines for Seymour, but appears unlikely to dent Act's momentum.

Foreign policy assessment

MFAT produced its first completely rewritten strategic foreign policy assessment in more than a decade.

Most notable is the way that it explicitly acknowledges the impacts of rising geo-political tensions and rising protectionism of NZ's orientation in recent times towards foreign policy that primarily advanced trade and economic goals.

This shift is summarised in three key phrases about a shift from:

- rules to power;

Taxing banks

The Treasury advised the govt in Feb that it believed "the largest banks (in NZ) persistently make elevated profits", but there was "no conclusive evidence that this profitability can be attributed to uncompetitive behaviour

Ministers sought on the possible imposition of a levy on bank profits. Officials warned a retrospective levy wouldn't stop future super-profits and a temporary levy would encourage profit-shifting.

- economics to security;
- efficiency to resilience.

These shifts are significant and recognise that NZ, which has been a consistent champion and beneficiary of a rules-based international order, will need its foreign policy stance to adjust for a more contested global environment.

The implications of a greater weighting to security can be expected to find expression in an updated defence and security strategy in coming weeks.

At the least, an outline of military procurement priorities and intentions will have to form a part of that update.

As previously noted, there is potential for NZ to gain both security and economic benefits from being more deeply engaged with the technological and cyber-warfare elements of AUKUS Pillar 2. However, NZ will be expected to be willing to make investments in new capability if it is to be invited into the Pillar 2 tent.

MFAT suggests “there would be considerable value in having a more deliberate national conversation on NZ’s foreign policy to help raise awareness”.

It expresses the hope that NZ may “find significant opportunities in a more stable and functional multipolar world”.

“However, in the short to medium term, the future looks grim” with a more contested Pacific and Indo-Pacific environment.

Some of these themes arose at the annual China Business Summit in Auckland on Monday.

While Chris Hipkins continued to tread a careful line about the need to manage the relationship with China – “our most complex” – with care, the Chinese ambassador took the opportunity to suggest that when NZ chose its friends, it should “not only look to the past”.

Carbon market developments

Emissions trading scheme settings are to be reviewed after climate change minister James Shaw admitted he made errors in law. Lawyers for Climate Action NZ successfully sought a judicial review, and the high court in Auckland saying the decisions on settings to take effect from 2023 to 2027 were flawed. Shaw must now reconsider them by Sept 30.

Carbon prices bounced back slightly following the high court decision.

Shaw tried to reassure angry foresters about the prospect of retrospective changes to the ETS saying it would seriously think before taking any such action.

The issue is particularly exercising Maori forest owners, some of whom have been encouraged into carbon forestry on marginal Maori landholdings because of prospective returns. While the carbon price remains volatile and below \$50 a tonne, the issue threatens to remain a political thorn in the side for the Greens and Labour, and a potential fillip to Te Pati Maori.

NZ First fights for its life

NZ First will gather at Mt. Smart stadium this weekend for its election year convention and AGM.

The party is polling just above 3% in most polls, higher than its fairly low polling in the 2017-2020 term.

Winston Peters remains capable of drawing crowds of hundreds to public meetings, although he is achieving little mainstream media cut-through.

Unlike in 2020, he will not be constrained by covid restrictions from his traditionally successful barnstorming public meeting style of campaign.

Peters is fishing in the hotly contested pool of woke politics, taking a crack at co-governance, Māori issues in general, and transgender politics.

However, this end of the political spectrum has arguably been successfully co-opted by Act, with National playing a more cautious game because it fears alienating urban liberal voters, particularly women.

There is no indication that NZ First is running a sufficiently strong ground campaign in Northland to believe it will take the electorate seat, which would guarantee it a place in Parliament if its party vote is under 5%.

EU science collaboration

NZ has joined Horizon Europe, the EU’s most extensive research and innovation programme, giving access to funding and research networks in Europe and beyond. It is Horizon’s first association with a partner that is not geographically close to Europe, although Canada, South Korea and Japan are now in talks with the organisation.

Nats mull Wlg ‘science city’ plan

The National Party is mulling to what degree it supports the govt’s plans to invest in Wellington as a state-funded science hub.

The party is conscious that the sector will not benefit from uncertainty about capital plans, albeit having some reservations about aspects of it. Existing resource consents covering, for example, radioactivity, are recognised as valuable. ■

Inflation at 6%

An annual inflation rate outturn for the year to June 30 of 6% was only 0.1 percentage points higher than the market consensus of 5.9%.

However, market reaction was notably negative on the evidence that while inflation is slowing, it has a sticky core. However, the 1.1% quarterly result is unlikely to change the RBNZ's view about current monetary policy settings.

For comparison, the annual inflation rate was 6.7% in the year to March, having peaked at 7.3% a year ago, and the RBNZ's own forecast was for 6.1% annual inflation in the June year. That was already above market consensus, at 5.9%.

Within the index, non-tradable inflation at 1.3% for the quarter was quite a bit higher than the RBNZ's 1% forecast.

However, construction sector inflation, at 1.1%, is well below the 4.5% quarterly peak through 2021/22.

Other disinflationary forces include falling prices for key export commodities at present: dairy, forestry, and red meat are all on weakening trends.

Against the trend are food prices and labour market conditions.

Annual food price inflation came in at 12.5% in June, driven by a 22% jump in fruit and vegetable prices and a 12.8% hike in groceries. This was the highest annual change to the food price index since September 1987, when it was 15.8%, reflecting the introduction of GST in Oct 1986 at a 10% rate.

Labour market statistics due on Aug 2 will be instructive for a gauge of wage pressure, which still appears reasonably strong, and unemployment, which is expected only to rise slightly, to perhaps 3.5%.

Cash rate unchanged

The RBNZ held the official cash rate steady at 5.5% and reiterated it will stay there for some time. It was the first time the bank hasn't lifted the key rate in almost two years.

Household budgets

Westpac said the full impact of interest rate hikes is still to be felt, with the average household absorbing an average rise of 120 basis points to date, compared to the 525bps rise to the OCR since late 2021. With about half of all mortgages due to come up for repricing over the coming year, the average rate that households are paying will rise by a further 150bps. Data suggest about a third of all households' mortgage payments will increase from about 15% of

gross income to 20% by the end of this year.

Working for free

A survey of 500 small businesses commissioned by Xero by Insights Exchange said 60% of sole traders and 46% of small business owners are running companies that aren't earning enough to pay them a wage. 52% said they have increased their prices to solve cashflow issues, and 48% said they were reviewing costs. One in three said they were not confident they could absorb the impact of a financial shock.

Manufacturing & services indices

The BNZ-Business NZ **Performance of Manufacturing Index** for June was weaker, at 47.5, from a still contractionary 48.7 in May.

The BNZ-Business NZ's seasonally adjusted **Performance of Services Index** barely remained just in expansionary territory at the start of winter with a reading of 50.1, down from 53.1 in May.

Construction sector

An MYOB survey of 274 construction firms leaders with between 20 and 500 employees showed businesses on both sides of the Tasman expect activity to pick up in the coming 12 months. 49% of NZ respondents said rising prices had forced them to absorb extra costs, and 42% had to reduce their margins.

Residential real estate

The number of residential house sales jumped by an annual 14.6% last month to 5,629 properties, while the number of homes on the market dipped by 21.2% to 6,218 from 7,893 listings a year prior. Prices declined by an annual 9% year-on-year, reflecting annual value declines across every region except Queenstown-Lakes, which showed a 2.5% increase, according to the June Real Estate Institute house price index.

Immigration

181,100 people moved to NZ in the year to May, while 103,300 left, for annual net migration of 77,800.

Overseas visitor arrivals were 160,300 in May 2023, up 87,600 from May 2022. The biggest changes were in arrivals from Australia (+24,200), US (+10,100), India (+9,000), China (+7,600) and Korea (+2,900).

There was a provisional net migration loss of 13,400 people from NZ to Australia in 2022, according to estimates released by Stats NZ. This compares with a net migration loss of 5,400 in 2021. 📊

CORPORATE ROUND-UP**Primary industries**

Fonterra secured \$90m for decarbonisation of process heat from the government's GIDI fund, the second largest single grant after **NZ Steel's** \$140m grant to underpin an electric arc furnace. The dairy co-op is pursuing \$790m of investments in biofuels and electrification to end its use of coal in milk processing at six plants. The goal is to halve Fonterra's manufacturing emissions by 2030 and deliver 2.69% of NZ's required emission reductions between 2026-2030.

This week's **Global Dairy Trade** auction pushed the GDT index near a three-year low to 959 as prices declined a further 1%. That was the lowest index reading since Sept 2020's 947. The average price at Wednesday's fortnightly auction was US\$3,289 (NZ\$5,241) per metric ton.

The **a2 Milk Company** is appealing the **Intellectual Property Office NZ's** refusal to register the trademark TRUE a2 for baby and infant formula.

Energy and resources

NZ's expected **oil and gas reserves** have dropped below 10 years of existing use for the first time. Confirmation of declining reserves comes as gas use has also been dropping, and the energy sector debates the future of the fuel in the system and whether there will be an energy shortfall. MBIE data shows a 17% decrease in proven plus probable (2P) reserves with 1,635PJ of 2P gas reserves reported as at Jan 2023, down from 1,967 PJ a year earlier. At current rates NZ will be using more gas than it produces annually in 2027.

Construction of **Meridian Energy's** latest windfarm is back on track after Cyclone Gabrielle disrupted access to the site. Turbines are being installed at the 176MW Harapaki windfarm with the first power expected to be generated in Oct and full power by Sept next year.

Anna Kominik has been appointed to replace Nicki Crauford as chair of the **Electricity Authority**. Kominik is a former journalist and chief press secretary to **Jim Bolger**, and more latterly involved in entrepreneurial activity such as the **Wisk** flying taxi and **Dawn Aerospace**. She was also previously chair of the **Electricity Retailers Assn**.

Beca NZ chair **David Carter** is to join the **Meridian Energy** board.

The NZ govt has committed a further \$15.6m to its joint **geothermal energy** programme with Indonesia.

The govt agreed to \$70m of funding over 10 years for **Ara Ake**, a Taranaki-based decarbonisation centre established after the oil and gas exploration ban. It

was originally budgeted to have \$27m for four years after being established in 2019.

Telecommunications, media & entertainment

2degrees confirmed it will shut down its 3G service towards the end of 2025, following other telcos direction.

Spark said it is the first telco and digital services provider in NZ to commence its 5G standalone network build with **Ericsson** and **Red Hat**.

Rakon said the contraction in the telco infrastructure market poses a \$10m risk to its underlying earnings but this should be temporary.

NZ DJ software company **Serato Audio Research** entered into a conditional deal to be acquired by Japanese company **AlphaTheta**. There were reports it involves an initial payment of US\$70m (NZ\$113m), plus target-based earnouts.

Stuff has hired former **Newshub** political editor **Tova O'Brien** to lead its political coverage while long-serving **Stuff** news director **Mark Stevens** has been appointed chief news officer at **RNZ**, where an inquiry into unauthorised sub-editing of international news stories is taking longer than anticipated. **Stuff** is expected to start significantly restricting access to coverage from its most valued writers, particularly political commentary, in an effort to grow subscriptions under its newly launched regional digital mastheads. The strategy appears designed to accelerate the decline of printed newspapers.

Technology and IT

Infratil entered into a conditional deal with Hong Kong-based **HKT Trust** for the US\$160m (NZ\$258m) purchase of an 80% stake in datacentre connectivity platform **Console Connect**.

NZ startup **Avertana** signed a deal with a steelmaker **Tranvic Group** to refine slag by-products into high-value titanium dioxide pigment in a demonstration plant in China.

Transport and logistics

Napier Port's containerised volumes fell 31.6%, down from 82,000 twenty-foot equivalents, with bulk cargo volumes dropping 28.6% to 700,000 tonnes as the region still grapples with the ongoing impact of Cyclone Gabrielle.

Banking, finance and insurance

ANZ created a of \$250m fund to support low-interest lending for businesses impacted by extreme weather events. Customers will be able to borrow up to \$300,000 for three years at a fixed rate of 3.49% p.a.

Insurance claims for commercial crime increased 26% in 2022, data released by NZI showed. Of the 3,698 commercial crime claims received by the insurer, 37% were in Auckland.

The **Commerce Commission** filed High Court proceedings against lender **Eagle MAN** group for charging interest and fees which sometimes exceeded 100% of the initial loan.

Manufacturing and construction

Vulcan Steel expected to report net profit was between \$86m and \$89m in the 12 months ended June 30, with the cost of integrating **Ullrich Aluminium** coming in at \$10m rather than the \$5m the company had expected. It previously forecast \$95m-to-\$109m and reported \$124m NPAT in the June 2022 year.

Steel & Tube Holdings expects to report normalised Ebit of \$31m-to-\$32m for the 12 months ended June 30. This strips out a \$1.1m cost largely relating to software and is at the upper end of its \$28m-to-\$32m forecast provided in May. That compares to the \$47.9m reported a year earlier when Steel & Tube more than doubled annual earnings after several years of restructuring the business.

Low carbon concrete innovator **Neocrete** is raising capital to set up a manufacturing plant in Waikato to further its R&D effort.

Wholesale and retail

The former CEO of **Sanitarium**, **Pierre van Heerden**, was appointed the first **Grocery Commissioner**. Former Food and Grocery Council CEO, **Katherine Rich**, who was a prime mover in forcing the issue of supermarket competition applied but was not selected.

As part of a strategy to shift perceptions of supermarkets as manipulating their market power, **Woolworths** announced it was retiring the **Countdown** brand in favour of its supermarkets becoming Woolworths-branded. It changed from Woolworths to Countdown 12 years ago. The chain will also launch a new loyalty programme, having ended its relationship with **AA Smartcard** earlier in the year.

Countdown pharmacies will remain open after appealing a High Court ruling that their pharmacy licences were unlawful and invalid.

Shares in **KMD Brands** fell nearly 9% despite news it expects record revenue of \$1.1b in the year to July 31. It warned of difficult trading conditions in recent months.

Ezibuy, which owes more than \$100m after being

valued at \$350m 10 years ago, is facing liquidation with unsecured creditors likely to get nothing.

Service industries and healthcare

Lab provider **Awanui**, previously called **Asia Pacific Healthcare Group**, posted a revenue decline of 8.3% to \$353.1m, from \$385m, in the 12 months to Dec 2022. With expenditure relatively unchanged, it posted a 67.6% profit drop to \$13.1m, from \$40.4m. The firm boomed during covid as the primary provider of covid PCR testing to the govt.

Retirement home operator **Summerset** reported 273 sales for the three months to the end of June, with 126 new sales and 147 resales.

Capital markets

A bid for **Metroglass** from **Peter Masfen** and **Peter Wells** and valuing the business at \$33.4m has been rejected. Masfen and Wells between them own 25% of the company and pitched the offer at 18cps. That was a premium to the pre-bid closing price of 15.7cps, but directors said it substantially undervalued the company, which has generally underperformed since listing at \$1.70 a share in 2014.

ERoad directors rejected a takeover offer at \$1.23 a share from Canadian-based **Constellation Software**. The company also announced that chair **Graham Stuart** was stepping down, to be replaced by **Susan Paterson**.

Law and regulation

Eric Watson faces bankruptcy proceedings from the liquidators of his collapsed **Cullen Group** over \$57.4m he borrowed from the companies.

The **Financial Markets Authority** released its scenario analysis information sheet to help climate reporting entities meet their obligations under the climate-related disclosures regime.

People

Adrian Littlewood and **Mark Binns** will join the **Mercury** board from Aug 1 and Sept 1 respectively, with **Patrick Strange** confirming his intention to retire at the Sept 19 shareholders' meeting.

Kelvin Wickham, formerly Fonterra's managing director for Americas, Europe, Middle East/Africa, and North Asia, is Ballance Agri-Nutrients' new CEO.

Utilities Disputes commissioner Mary Ollivie is leaving the organisation in Dec after nearly four years in the role.

David O'Connell, MD of Geneva Finance, is retiring to be replaced by **Malcolm Johnston**. 🏢

LEGISLATION

Urgency as the clock runs down

The govt put the house into urgency this week as the clock runs down towards Parliament rising for the election.

There are now just 15 sitting days left scheduled until the MPs rise for the final time on Aug 31 ahead of the Oct election.

- *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

Regulatory Systems (Climate Change Response) Amendment Bill - Introduced June 21. A tidy-up bill used a vehicle for minor and non-controversial changes for climate change and emissions trading scheme legislation and regulation.

Regulatory Systems (Primary Industries) Amendment Bill - Introduced June 21. A tidy-up bill used a vehicle for minor and non-controversial changes for primary sector legislation and regulation.

Water Services Entities Amendment Bill - Introduced June 16. Reflects the govt decisions on water services reforms including a new representation model on the entities which will now number 10 not four and a longer period for establishment to be between July 2024 and July 2026. First reading on 22 with National, Act, Greens and Kerekere opposed. Referred to the governance and administration committee to be reported back by July 27.

Bills in progress

Companies (Directors Duties) Amendment Bill - Introduced Sept 23. 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. 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. Committee stage postponed to allow Belich time to prepare an SOP.

Natural and Built Environment Bill - Introduced Nov 15, 2022. Replaces and repeals the Resource Management Act in tandem with the Spatial Planning Bill. The NBEA will lay out the framework for regulating both environmental management and land use planning. Its intent is to enable use and development within environmental limits and targets. Reported back on June 27 with extensive changes but the initial intent of the bill intact. National, Act and Green party all filing minority reports. National pledged to repeal the RMA reform bills before Christmas if elected to govt saying the replacement would be worse than the original. Second reading completed on July 18 with

Labour, Greens and Kerekere in favour.

Spatial Planning Bill - Introduced Nov 15, 2022. Provides for long-term strategic spatial planning through the development of regional spatial strategies to replace the current plans with a smaller number of consolidated plans. Reported back on June 27 with many changes but the initial intent of the bill intact. National, Act and Green party all filing minority reports. National pledged to repeal the RMA reform bills before Christmas if elected to govt saying the replacement would be worse than the original. Second reading completed on July 18 with Labour, Greens and Kerekere in favour.

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 eligible licensees to extend trading hours for the purposes of televising games played as part of the men's Rugby World Cup 2023, without applying for a special licence. Reported back on July 7 with minor changes. The committee also said a permanent legislative fix should be found as part of wider alcohol reform work. Labour MPs also said there should be reform to provide stricter controls on advertising, sponsorship, and promotion of alcohol, including in relation to sports.

Bills passed/defeated/stalled

Charities Amendment Bill - Introduced Sept 21. Reforms and overhauls the charities establishment, monitoring and reporting regime. First reading on Sept 28 and sent to the Social Services and Community Committee with National opposed. Committee stage completed on June 20 and third reading on June 28 with just Labour in favour.

Deposit Takers Bill - Introduced Sept 22. Follows on from the review of the Reserve Bank Act, creates a regime for registering and monitoring deposit taker, and the Depositor Compensation Scheme which provides each eligible depositor up to \$100,000 for their covered deposits at each deposit-taking institution. Committee stage completed on June 27 and third reading on June 29 with Act opposed.

Grocery Industry Competition Bill - Introduced Nov 21. Creates a Grocery Commissioner at the Commerce Commission to monitor and regulate the sector. Committee stage completed on June 20 and third reading on June 21 with no parties opposed.

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. Committee stage completed on June 20 and third reading on June 29 with no change in parties' positions. 

