

## **Government looks to plan itself out of a funk** Page 2

Prime Minister Christopher Luxon released the first of the government's quarterly plans, recommitting to pledges like tax cuts that a wealth of commentators had suggested could be dropped. It came as yet another poll shows voters lack confidence in the new government despite strong support for National.

## **Little sign of austerity in light Budget Policy Statement** Page 3

Finance Minister Nicola Willis delivered one of the latest Budget Policy Statements since they were inaugurated in the 1990s. Difficult budget talks meant that despite the delay, the document did not include figures for her operating and capital allowances.

## **Science Review asks right questions, at the wrong pace** Page 3

Science Minister Judith Collins and Tertiary Minister Penny Simmonds launched two reviews of the troubled science sector. They ask the right questions, but will not have answers in time to plug the hole left by the end of National Science Challenge funding.

## **Slowdown** Page 5

Forecasts released with the BPS show signs of a slowing economy, hitting the tax take by \$14b in the coming years. Mortgage payment arrears hit the highest level since Jan 2020, while applications for new lending fell. Meanwhile applications per job are increasing as ads for new jobs decline.

## **The end of the postie, the rise of the courier** Page 6

NZ Post confirmed there will be significant job losses as it transitions to a single network taking mail into its parcel operation.

## **ComCom cool on Foodstuffs merger** Page 6

The Commerce Commission is not convinced a merger of Foodstuffs' North and South Island operations would not substantially lessen competition in the grocery sector. The Commission published an issues paper this week giving an early view on the changes.

## **Parliament's change of pace** Page 8

Parliament slowed to its usual legislative pace after the government conceded it would pull back on its use of urgency as it moves beyond its 100-day plan. A member's bill in the name of Labour's Camilla Belich aims to protect workers who discuss pay.

## Govt plans its way out of slump

The political calendar was dominated by two set piece events: one old and one new.

The old was Finance Minister Nicola Willis' delivery of a detail-light Budget Policy Statement, which finance ministers have been doing since the Fiscal Responsibility Act was passed in 1994. The new, was Prime Minister Christopher Luxon's publication of the government's first quarterly "action plan".

The latter is the more interesting, mainly because it is the first time we've seen some innovation in governing style from Luxon. It includes 36 actions the government promises to tick off between April and the end of June, much in the style of the "100-day plan", of which it is officially the successor.

At its worst, it repeats the 100-day plan's habit of rebranding BAU governing as achievement and risks creating the perception government wants gold stars for getting up and going to work in the morning.

Other pledges were designed not so much to set targets, but to quell speculation the government might u-turn on costly policies like its tax plan. It won't. The government knows it will not survive its round of cuts without giving voters a dividend in the form of tax cuts.

However, at its best, the plan does set the government real challenges.

The idea behind the inclusion of some items is to bring better focus to Cabinet each quarter. Luxon sees quarterly plans as a response to the messy and divided focus experienced under Labour, where ministers tried to do too much, and often procrastinated over decisions.

They are not all PR, either – there is some real grunt behind them. The 100-day plan was driven by a new 100-day plan Cabinet Committee, which focused the public service on ticking off its specific "deliverables". The committee was key to its success, thanks to Cabinet empowering it to take some decisions without going to full Cabinet.

Luxon hopes these new quarterly plans will have the same effect. He has promised less Parliamentary urgency under this plan, and said that larger items will be "chunked down" into smaller pieces which will have a "gateway" in successive plans which ministers will need to tick off each quarter.

The 100-day plan Cabinet Committee has now been disbanded. Reports on quarterly plans will go to the existing (and longstanding) Cabinet Strategy Committee, which only meets monthly. Luxon may need to think of another way of driving these plans as that committee will only meet three times during any

quarter.

There are a few obvious challenges. Despite often losing its focus, Labour was quite good at pivoting its attention to tackle issues that arose from nowhere and captured public attention. This government will need to make sure it has the bandwidth to do the same.

The list suggests Chris Bishop and Nicola Willis will be the busiest ministers.

Bishop is required start on the government's main housing policy, making the vexed Medium-Density Residential Standards optional for councils in return for councils immediately zoning for 30 years of housing (Bishop only needs to "take decisions" on this - reflecting the issue's complexity). He also needs to respond to Bill English's Kainga Ora financial review (which is slightly late, but due back shortly); introduce new tenancy laws, which will likely be a rewrite of the Residential Tenancies Act to reintroduce no cause evictions banned by Labour; and "take decisions" on National's policy of changing planning laws to get more renewable electricity built.

Other substantial promises in the plan include:

- Finalising policy to keep agriculture out of the ETS (Labour legislated a backstop that would see agriculture enter the ETS in 2025 if an alternative was not found by then).
- Begin a the previous government's methane reduction target. This target is legislated in the Zero Carbon Act and would need to be repealed if changed.
- Reform the CCCFA regime "to improve access for home buyers".
- Begin the first regulatory sector review (which will be early childhood education).
- Begin Holidays Act reform.
- Set targets for improving public service outcomes (Luxon has teased these as a return of the Key-English Better Public Service targets).
- Establish a Regional Infrastructure Fund; a big win for NZ First, the fund is the successor to the Provincial Growth Fund.
- Introduce legislation to reintroduce charter schools.
- Take decisions to streamline the Medsafe approval process.
- Release the Government Policy Statement on Health. This GPS will be the first proper GPS issued under the previous government's health reforms. It will set out how Health NZ will spend the roughly \$27b budget.

Though not in the plan, Simeon Brown's three waters is on track, with Cabinet agreeing the first part of the

replacement programme this week.

Transitional legislation is expected to be passed by the beginning of the year, forcing councils to prepare Water Service Delivery Plans for within 12 months. A second, piece of legislation creating the “long-term replacement regime” will be introduced towards the end of the year.

Progress on “City Deals” a plan to ink infrastructure agreements between central and local government like a more powerful ATAP seem destined for closer to the end of the term. They appear to have dropped down Brown’s busy work programmes, a hint both ministers are probably overloaded. Luxon spoke in Tauranga, saying it was a good candidate to be one of the first cities to get such a deal.

The plan comes as a Roy Morgan poll showed falling confidence in the government. The Roy Morgan government confidence rating fell 17 points to 81 in March. 35% (down 6.5 points) said NZ was heading in the right direction while 54% (up 10.5 points) said it was heading in the wrong direction.

Roy Morgan’s March poll put support for National at 38% up 2.5 points, Act down 0.5 points to 11.5% and NZ First down 1 to 6.5%. Support for Labour was up 1.5 to 23%, the Greens were down 2 to 13.5% and the Māori Party was down 0.5 points to 3.5%. 3.5% (down 0.5 points) supported a minor party outside Parliament, including 2.5% who support The Opportunities Party.

## BPS missing key numbers

Willis released the government’s first BPS at the end of March. Originally intended to enforce budgetary discipline on governments and signal to markets the approximate size of the forthcoming budget, BPSs have evolved to become more political events. Willis’ was a disappointment, and hints at budget problems behind the scenes.

Despite the budget being only two months away, and this BPS already being one of the latest in history, Willis was unable to include figures for her operating and capital allowances. The government had strongly hinted the BPS would include these figures. Instead, Willis would only say the operating allowance would be less than the \$3.5 pencilled in by her predecessor, although it sounds like “less than \$3.5” should be read as “a number less than but very close to \$3.5b” (on the campaign, Willis had pledged to get this down to \$3.25b). The \$3.5b figure exactly the allowance proposed by Labour, suggesting that while public service cuts are starting to but, the budget will not be as austere as Willis’ opponents hoped.

The multi-year capital allowance will be topped up by “up to” \$7b. The final number has not yet been

confirmed.

Willis could not announce these figures because final Budget decisions have not yet been made. Willis said Treasury was still finalising its economic and fiscal forecasts, but there are also delays on the part of the Beehive.

NZ First is slightly grumpy about the accounting for its promised \$1.2b Regional Infrastructure Fund (a successor to the Provincial Growth Fund). The party wants the expenditure to be booked as capital funding, citing a bad experience with the original PGF that saw more than \$1b of the \$3b fund booked as operating spending, despite the purpose of the fund being to invest in businesses and fixed infrastructure. Treasury’s main objection is that if the core Crown does not continue to own the assets in which it is investing, the money needs to be booked as operating spending.

One of the challenges is around local government funding. The government is keen to direct some money at poor councils in the provinces. Treasury argues these investments would have to be booked as operational spending, despite some arguing that local government is essentially a creature of central government and therefore entitled to capital funding.

The dispute shows how keen the government is to make a virtue of small operating allowances.

## Science sector faces fiscal cliff

Sir Peter Gluckman, who served three prime ministers as chief science advisor, was tapped to chair not one but two advisory groups tasked with reforming the science sector.

The government and the sector both agree significant change is needed, but while they are on the same page in many respects – they are far apart on others.

One of Gluckman’s groups will look at the funding of research in universities, the other will look at the non-university sector, including Crown Research Institutes and private organisations. An interim report is due back by 30 June, and a final report due back by the end of October.

Timing is the first problem. The first report will miss this year’s budget. This is significant because the \$650m in funding for National Science Challenges that has underwritten huge amounts of research for the last decade runs out at the end of June.

## Emissions budgets

The Climate Change Commission will release its draft advice on the fourth emissions budget (2036-40) on Monday.

Consultations will run until May 31.

The latest advice is likely to have guidance on the commission’s thinking with respect to the operation of the ETS, if it is to prove a meaningful spur to emissions reduction.

Science Minister Judith Collins has said it will not be renewed. This, combined with the government's decision to cancel Labour's \$450m plan to turn Wellington into a "science city" means the non-university sector has no funding certainty for the future. International recruiters are circling. The sector fears a generation of researchers heading to Australia and beyond, each taking years or decades of experience and training.

The second problem is one of alignment. Collins has been clear she wants the likes of Callaghan Innovation and the Crown Research Institutes to find more commercial funding. Less than 15% of Callaghan's funding came from the private sector last year – Collins wants the share to be far higher. She wants CRIs follow suit, boosting their share of commercial funding.

While there is an appreciation that times are tight for the government there is a fear that Collins and Gluckman undervalue the "blue sky thinking" that might not be immediately commercial, but provides significant public good. There is a fear a narrow minded approach in pursuit of commercial opportunities could be shortsighted.

In other areas, the government and the sector are on the same page. Collins described as "ridiculous" the number of different funds and grants researchers sought public funding from, including Marsden Grants and the Health Research Council and said she expects there to be "some amalgamation". This would ease the administrative burden for researchers, who can waste days on applications with little hope of success. Fewer funding rounds would ease this burden.

Collins is also seen to want more collaboration and less competition for funding for the same reason.

The other drawback, Collins thinks, is that the previous two governments were a bit too successful at directing the sector's focus. Of the seven Crown Research Institutes, five have been doing research on freshwater. Amalgamations cannot be ruled out, but seem unlikely. More likely is a streamlining of each CRI's focus in the interest of creating less duplication.

The University Advisory Group will work alongside the other science system group, and attempt to tackle some of the crises at universities, and, if possible, link up solutions with the broader science review. This will inevitably consider the future of the Performance-Based Research Fund, the 22 year-old

fixed sum of money distributed across the tertiary sector based on a formula of previous research performance.

Preparing for performance evaluation is seen as costly and imposes a large administrative burden upon universities. The system survived previous reviews in 2019 and 2020. Suggestions include increasing the interval between quality evaluation assessments, or allocating funding based on the number of researchers.

Lurking in the background is the future of the former government's R&D tax credit scheme. Launched in 2019, it has cost \$250m in the four years to 2023. A statutory review of the scheme is required this year, and it has deliberately been excluded from Gluckman's two reviews. The future for the scheme does not look bright. Both National and Act opposed the credits in opposition, arguing they were poorly targeted and subsidised investment and research that would have happened anyway.

An outcome of the review is likely to have an impact on whatever Gluckman's groups recommend.

### In Brief

Resources minister Shane Jones said he is not considering intervention in the oil and gas sector to maintain supply but he is going overseas to try to entice international players back to NZ.

In co-ordination with international allies, the NZ government said branches of parliament had undergone a cyber-attack from a Chinese government-backed organisation in 2021.

Infrastructure minister Chris Bishop voiced concerns about KiwiRail and suggested parts of the rail network aren't economic and had issues that needed to be worked through.

The government opened applications to fast-track consents for economic development proposals with national or regional impact to be approved by ministers and inserted into legislation after a select committee finishes considering the bill.

MFAT's Deputy Chief Executive (Policy) Ben King has been appointed Secretary of the Department of the Prime Minister and Cabinet. He follows a similar path to predecessor Brook Barrington. King's current job oversees MFAT's defence, security and intelligence engagement.

Bede Corry, currently our man in Washington, will become Deputy Chief Executive and Deputy Secretary at MFAT. His decades of US-Europe work suggests an Atlantic tilt to the Ministry. 🇺🇸

### CEO Retreat 2024

The next Hugo Group CEO Retreat is scheduled to run from **dinner on Thursday August 29 to lunch on Saturday August 31 at Millbrook Resort.**

The programme will again bring members a mixture of actionable business insights and the traditional Retreat "deep dive" into domestic and global affairs.

**Mark your calendar now.**

## Slowdown

Treasury released **preliminary economic forecasts** alongside Nicola Willis' Budget Policy Statement showing a weaker economy compared to Dec's HYEFU forecasts. The cumulative level of nominal GDP over the 5 years to June 2028 is forecast to be \$42.8b lower. This will feed into \$13.9b less tax revenue over those five years.

As expected, a surplus is no longer expected in 2026/27 as forecast in HYEFU (and as National and Act campaigned on). Willis warned deficits could stretch out to 2027/28.

As expected, Willis announced the revival of the old **net core Crown debt metric**. She set herself a debt "range" (rather than a target) of between 20 to 40% of GDP. Net core Crown debt is expected to peak at 44% this year before trending down.

Bank economists reckoned the Treasury may need to **issue \$10-15b more bonds** in the four years to 2027-28 than was forecast in December.

**Crown accounts** for the eight months to Feb, showed a deteriorating economy. Core Crown revenue was \$648m (0.7%) lower than forecast at HYEFU in Dec. Expenses were also lower, however, coming in \$1.1b (1.3%) lower than HYEFU forecasts.

**The OBEGAL deficit** was \$4.2b for the period, \$43m higher than forecast. Net core Crown debt was 42.4% of GDP, 0.01% higher than forecast.

**Credit agency Centrix** shows said there was a 4.8% month-on-month drop in the number of people behind on payments to 457,000 in Feb following seasonal patterns. Demand for credit was up 3% compared to the same period last year due to higher volumes of applications for unsecured credit. Arrears were 8.1% up on the year earlier and closely tracking 2018 levels, after coming off historic lows.

**Mortgage payment arrears** rose 1.5% in Feb, with 22,600 holders behind on their payments – the highest level since Jan 2020. Mortgage applications were down 6% on the year earlier and vehicle loan applications were down 16%. Demand for business credit rose 7%, with a 10% increase for the hospitality, retail and transport sectors over the past year.

**SEEK said applications per job** rose 3%, ads declined 3% from Jan to Feb and were 15% lower than in Feb 2019. The SEEK Advertised Salary Index rose 1% in the three months to Feb compared with the quarter ended Nov.

**SMEs are feeling more upbeat** about their own

and the economy's outlook, although a slight tone of pessimism still pervades amid cost increases.

A **MYOB survey** of small and medium sized businesses said a net 3% think the economy will get worse before it improves, compared to last year's 53% pessimism level. 82% of SMEs said overhead costs increased in the past year, up \$1,490 per month on average, and for small firms with fewer than five staff compliance costs increased an average of \$1,067 per year, by an average of \$2,187 for businesses with 6-19 employees. Most SMEs surveyed in the construction and trades, manufacturing and wholesale, and retail and hospitality sectors expected to raise their prices in the next year.

The number of **firms reporting higher profits** in the past quarter was 22%, nearly double the level of last year, but a growing number were reporting improved cashflow, and nearly two-thirds said they were in a good to excellent financial position, while most intended to keep staff levels unchanged.

The latest **Global Dairy Trade auction** saw the GDT Price Index going up 2.8% with most recording good increases and the whole milk price up 3.4% with an average price US\$3,246/MT.

**The ANZ-Roy Morgan consumer confidence** fell 9 points in March to 86.4. Measures under 100 show pessimists outweigh optimists. Two-year **inflation expectations** were unchanged at 4.5%, though expected house price inflation fell to 3.4% from 4.1%. A net 24% thought it was a bad time to buy a major household item – down 6 points.

**New vehicle registrations** for March fell by 27.4% to 11,616 versus the same month last year, and were 44.7% and down on March 2022, according to the Motor Industry Association. For March, 9.28% of new passenger cars were EVs, down from 27.2% for all of 2023.

The **Westpac McDermott Miller employment confidence index** rose 4.7 points to 104.4 in the March quarter – a reading above 100 indicated optimists outweighed the pessimists.

The **public service workforce** grew 4.1% or 2,582 full-time equivalent staff in the six months to Dec. There were 65,699 FTEs at Dec 31 2023, up from 63,117 FTEs in June 2023. This followed an annual increase of 4.5% (or 2,736 FTEs) in the year to June 2023 to 63,117 FTEs, up from 60,381 FTEs in 2022.

The RBNZ will **review the OCR** next Wednesday. It is likely to hold at 5.5%. News since the Feb MPS suggests the Bank will be comfortable holding, and in no rush to cut. ■

## CORPORATE ROUND-UP

### Primary sector

**Silver Fern Farms** reported a \$24.4m loss in the year to Dec 31 with revenue down to \$2.78b. This compares to 2022's net profit of \$189.3m from revenue of \$3.27b.

The US lifted a preliminary injunction preventing the **export to the US of nine NZ fish species** caught on the west coast of the North Island. The injunction was gained by environmental group Sea Shepherd, which alleged the standards used by NZ to protect the endangered Maui dolphin were not compatible with US standards.

**Zespri** expects to export a record 190 million trays of kiwi fruit. The orchard gate return guidance range per hectare for Zespri green in the 2024-25 season is \$75,000-\$91,000. This compares with last season's forecast of \$64,930 per hectare. Guidance for bestseller Zespri SunGold is \$145,000-\$166,000 per hectare, compared with \$143,537 forecast last season. For RubyRed growers, per-hectare return range guidance is \$50,000-\$56,000 compared with \$41,057 last season.

**Synlait** was working with its bankers and major shareholder on paying a \$130m due debt with a total of \$514m in debt it must pay back in the next 12 months. It was looking to raise cash or sell assets such as its Pokeno plant. The company appears to be losing farmer suppliers to its competitors.

**NZ King Salmon** reported net profit after tax of \$28.5m for the year to Jan 31 compared with just \$1.9m statutory profit the previous year while the company's preferred "pro forma" measure of profitability showed earnings of \$24.5m versus a \$2.7m loss the previous year. It is looking to fund more than \$20m of capex to upgrade existing infrastructure and starting work on NZ's first open-ocean fishfarm.

### Energy and resources

**Transpower's** chief executive **Alison Andrew** will resign at the end of June after 10 years in the position.

**Lightyears Solar** raised \$6m to help build three new community-scale farms totalling 18MW over the next year.

Australian based mining specialist **Taurus Fund Management** said it is looking at more investment opportunities in NZ following the change of government.

### Banking, finance and insurance

BNZ CEO **Daniel Huggins** took the chair of the **NZ Banking Association** replacing ASB CEO **Vittoria Shortt**, while ANZ CEO **Antonia Watson** was elected deputy chair.

**The Insurance Council** is promising more transparency around complaints by revealing the number lodged against individual companies.

### Telecommunications, media & entertainment

The owner of **TV Three**, which last month announced plans to close most of its free-to-air TV operation in NZ, including Newshub, estimated a "hard date" for ceasing digital TV broadcasting in mid-2025 if operations continued as normal, government officials said.

### Wholesale and retail

**Hallenstein Glasson** said despite sales falling marginally to \$223m from \$223.3m, it recorded a net profit after tax of \$21.1m in the six months to Feb 1, up 1.5% compared with the same period last year.

The Commerce Commission said it was unconvinced a proposed merger between **Foodstuffs North Island** and **Foodstuffs South Island** would not "substantially lessen competition". The two organisations operate as separate co-operatives, but want to merge. An issues paper, published by the Commission this week said it would mean only two major retailers acquiring groceries from suppliers: the merged entity, and Woolworths.

### Transport

**NZ Post** confirmed significant job losses in mail, delivery, processing and support roles as it transitions over the long term to a single network taking mail into its parcel operation.

The plan would see 700 posties made redundant over the next five years, passing their duties to contracted courier drivers. The change is a result of mail volumes dropping from 1 billion pieces in 2004 to about 220m.

### Manufacturing and construction

**Fisher & Paykel Healthcare** provisioned \$12m for the voluntary recall of potentially faulty products.

**Sanitarium** will cut 49 jobs and stop production of a range of its breakfast cereals, citing declining demand.

### Courts, legal and regulation

The **Financial Markets Authority** reached a settlement with former **CBL** boss **Peter Harris**, who admitted continuous disclosure and fair-dealing breaches under market rules. He agreed to not take on any management or director positions at any public company or licensed insurer in NZ until related litigation is completed. The FMA also has civil proceedings relating to continuous disclosure against former chief financial officer **Carden**

**Mulholland** and IPO claims against Mulholland and former non-executive director **Alistair Hutchinson**. This case is scheduled for June 2024.

The FMA is also looking at a possible class exemption for some sustainable and green bonds to be brought to market more quickly and cheaply.

## Technology and IT

After seeking between \$3m and \$4m in seed funding, **Neocrete**, a startup seeking to decarbonise concrete production, raised \$6m in a round led by Singapore-based venture capital firm Wavemaker Partners, which took a 15% share for US\$2.7m (NZ\$4.5m).

**TradeWindow** is looking for \$2.2m in its latest attempt to raise fresh capital.

## Service industries and healthcare

**Savor Group** expects to report net profit after tax of between \$1.5m and \$2m for the year to March on the strength of improved margins and resurgent summer hospitality trading with revenue above \$60m, compared to \$52m in the previous year.

## Tourism

**Qantas** announced it is adding 260,000 additional seats across three routes: Christchurch to Brisbane, Christchurch to Melbourne, and Wellington to Melbourne. The flights will use Boeing 737 aircraft.

Qantas International CEO **Cam Wallace** said the airline was flying more trans-Tasman passengers than before the pandemic, with up to 180 flights a week.

Competitor **Air New Zealand** announced a revamp of meals in business premier class, responding to concerns it was slipping behind other premium offerings.

## Property

The High Court at Auckland has upheld some claims against **Auckland Council** for its role in consenting and inspecting the 40-level **Harbour Oaks** apartment and hotel tower. No sums have yet been awarded in the owners' \$150m claim.

The tower, also known as the Gore Street apartments, was built from 2004 to 2006 but has extensive defects. The principal contractor, **Multiplex Constructions (NZ)**, went into liquidation before the claim was filed. As the case progressed, some named defendants also went into liquidation and claims against them were discontinued. Others settled claims against them before the trial.

## Corporate actions

**Ross Taylor** left **Fletcher Building** earlier than

indicated, while two directors followed former chair **Bruce Hassall** out the door. Taylor was replaced by concrete boss **Nick Traber** as acting CEO. **Doug McKay** will exit the board on June 30, and **Rob McDonald** will not stand for re-election. CFO **Bevan McKenzie** resigned and will leave in Oct.

**Meng Foon** said he had no plans to resign as an independent director of **PGG Wrightson** after some of his board colleague invited him to go.

Foon was the only independent director that PGW's largest shareholder, Agria, didn't want to remove when it attempted to oust chair Garry Moore, Sarah Brown, and Charlotte Severne and install three replacements of its choosing, plus ex-chair Alan Lai. Agria dropped the initiative.

## Capital markets

**Cannasouth** had its ordinary shares suspended from trading after it was placed into voluntary administration. Cannasouth's chief financial officer and company secretary, **Colin Foster**, resigned.

**Ascension Capital** completed the reverse takeover of the **Being Group** to trade on the NZX as **Being AI**. A malfunction in share systems delayed trading on its debut and a share price spike prompted NZX Regco to issue a warning.

**WasteCo** raised \$3m through the issue of convertible notes to wholesale investors. The notes, which have a maturity date of Oct 15 2025, offer holders the option to redeem for cash or convert to WasteCo shares at \$0.05 each. They also carry an annual interest rate of 10%, payable quarterly.

**Me Today** raised \$3.1m through a rights issue, exceeding its target raise level of \$2.8m.

## People

**Stephen Gilmore**, the chief investment officer of the **NZ Superannuation Fund**, is to take up the same role at the **California Public Employees' Retirement System (Calpers)**, the US's largest pension plan with US\$494b (NZ\$830b) in funds under management.

**Jo Townsend** was appointed as the new chief executive of the **Guardians of NZ Superannuation**.

**EROAD** appointed US based **Cameron Kinloch** as a new non-executive director.

Finance Minister **Nicola Willis** appointed two new members to the RBNZ's Monetary Policy Committee, Economists **Carl Hansen** and **Prasanna Gai** replace Peter Harris and Caroline Saunders.

Hansen – an executive director of Capital Strategic Advisors – started Monday April 1. Gai – a Professor of Macroeconomics at the University of Auckland – does not begin until July 1. 🇳🇿

## LEGISLATION

## Parliament's change of pace

Parliament returned to a more normal pattern of sitting after the govt completed its first 100 days programme and the extended use of Urgency. Parliament is next scheduled to sit on April 9.

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

## Bills introduced

**Employment Relations (Employee Remuneration Disclosure) Amendment Bill** - Member's bill drawn from the ballot on March 20 in the name of Camilla Belich. Seeks to amend the Employment Relations Act to protect employees who discuss or disclose their remuneration.

**Fast-track Approvals Bill** - Introduced on March 7. Sets up a fast-track consent approval process across the RMA and other legislation through ministerial referral to an expert committee which has a limited remit. First reading on March 7 and referred to the environment committee with National, Act and NZ First in favour.

## Bills in progress

**Companies (Address Information) Amendment Bill** - Member's bill in the name of Deborah Russell drawn from the ballot on Feb 15. Provides a mechanism for directors who have serious concerns about their safety regarding the publication of their residential address information to request that their residential address be substituted with an address for service. First reading on March 20 and sent to economic development, science and innovation committee with National and NZ First opposed. National said it supported the principle of the bill, but the approach was flawed and would be better addressed through planned wider reform of the Companies Act.

**Corrections (Victim Protection) Amendment Bill** - Member's bill in the name of National's Rima Nakhle drawn from the ballot on Feb 1. The bill would create an obligation on Correction's chief executive and prison managers to protect those who are subject to a protection order and victims of crime from unwanted contact from prisoners. First reading on March 20 and sent to the justice committee with all parties in favour.

**Courts (Remote Participation) Amendment Bill** - Introduced on March 7. Intends to increase remote participation in court proceedings. Sent to the justice committee with National, Act and NZ First in favour to be reported back by July 31.

**Firearms Prohibition Orders Legislation Amendment Bill** - Introduced on March 1. It's primary aim is to change the way firearms prohibition orders are administered in relation to people whose behaviour and actions pose a high risk of violence. First reading on March 5 and sent to

the justice committee with National, Act and NZ First in favour.

**Fisheries (International Fishing and Other Matters) Amendment Bill** - Introduced on Aug 3 2023. Amends the Fisheries Act to enable NZ to better meet its international fishing management and compliance obligations in relation to illegal, unreported and unregulated fishing. First reading on March 28 and sent to the primary production committee with all parties in favour.

**Misuse of Drugs (Pseudoephedrine) Amendment Bill** - Introduced under Urgency on Feb 20. Would change the classification of pseudoephedrine as a controlled drug, so that cold and flu products containing pseudoephedrine can be sold in pharmacies without a prescription. Reported back on March 13 without amendment. Second reading on March 19 with only Te Pāti Māori opposed. Committee stage completed on March 27 without amendment.

**Regulatory Systems (Education) Amendment Bill** - Introduced on March 23 2023. An omnibus bill mainly making administrative amendments. Second reading on March 27 with all parties in favour.

**Regulatory Systems (Primary Industries) Amendment Bill** - Introduced on June 21 2023. A tidy-up bill used a vehicle for minor and non-controversial changes for primary sector legislation and regulation. First reading on March 27 2024 and referred to primary production committee with all parties in favour.

## Bills passed/defeated

**European Union Free Trade Agreement Legislation Amendment Bill** - Introduced on Jan 25. Amends law as part of the implementation of the trade agreement between NZ and the European Union, signed in July 2023. Reported back on March 12 under an accelerated process to ensure exporters could reap the benefits of tariff relief sooner. Second reading and committee stage completed on March 19 by cross-party agreement and third reading on March 21 with only Te Pāti Māori opposed.

**Goods and Services Tax (Removing GST From Food) Amendment Bill** - Member's bill in the name of Rawiri Waititi drawn from the ballot on Feb 15. Would GST from all food products and non-alcoholic beverages. First reading on March 20 and voted down with only Te Pāti Māori in favour.

**Income Tax (ACC Payments) Amendment Bill** - Member's bill in the name of Hamish Campbell drawn from the ballot on Feb 15. Seeks to make changes to how ACC lump sum payments which are awarded after a court decision, a revised decision, or a review, are taxed. The effect of the amendments is that ACC payments made in respect of certain claims that were initially unsuccessful will be taxable at the rates that would have applied had the initial claims been approved. First reading terminated and bill discharged. 🇳🇿

