

Two-edged sword in RBNZ's 'get out and spend' message? Page 5

The RBNZ's surprising 50 basis point cut to the Official Cash Rate is intended to spur consumers to open their wallets and spend more freely to offset looming global economic weakness. But what if it has the opposite effect? Much of the reaction to the rate cut indicated the message received was overall negative and worrying. One clear outcome from the cut: a weaker NZ dollar.

Nats' overt adoption of Brexit/Johnson/ScoMo tactics Page 3

The National Party can scent the small but real possibility of edging Labour's two support parties out of Parliament at the next election, based on the latest polling. Simon Bridges appears to be accepting advice that would bring NZ electioneering into line with the social media, algorithm-driven, micro-audience targeting that has benefited populist politics elsewhere.

Electoral accommodations looking more attractive Page 2

The more likely it becomes that either NZ First or the Green Party might not reach the 5% MMP party vote threshold, the more likely it is that Labour will seriously consider electoral accommodations to ensure it has coalition partners - particularly while National continues to poll above Labour.

Urban planning and elite soils NPSs next week Page 2

The govt will publish its National Policy Statements on urban planning and preservation of elite soils next Wednesday. The two go hand in hand to the extent that southwards expansion of Auckland around Pukekohe is politically sensitive because of fears that highly productive horticultural land could be lost to residential subdivision.

Ihumatao - no obvious way out Page 2

The arrival of Tainui and the Kingitanga at the Ihumatao protest site takes some of the immediate heat off the govt to find a solution to a problem where the activist leadership is disinclined to any compromise. However, the Tainui presence also appears to be a stalking horse for the Maori Party's renaissance aspirations.

Hipkins's training reform gamble Page 4

Education Minister Chris Hipkins has pressed ahead with a centralised reform model for the trades training and polytech sectors. Trade unions who back the changes and underperforming parts of the sector appear happy, but private training establishments, successful polytechs and business lobbyists fear the dead hand of a single govt agency directing the sector.

KiwiSaver default review Page 4

The govt has started consultations on one of the most potentially significant changes to affect the lifetime retirement savings of KiwiSaver account-holders: whether to take an age/stage-of-life approach to the level of risk that new members would be exposed to when entering a default fund.

Urban planning and elite soils NPSs due Aug 14

Phil Twyford, David Parker and Damien O'Connor will join Auckland region mayors to unveil the govt's long-awaited National Policy Statements on urban planning and elite soils next Wednesday afternoon.

The 'elite soils' framework is a vital political safety valve for the urban planning NPS, which the govt expects will help unlock the swathe of flat, easily developed land to the south of Auckland.

However, it has decided to protect so-called 'elite soil' areas, including the Pukekohe volcanic soils beloved by market gardeners, from residential development.

Critics are saying this is a "potatoes before people" argument that will prop up residentially zoned land prices and deprive elite soils landowners from cashing in on the fact that their acreage is worth more for housing than under crops.

However, the govt is persuaded by both the politics and the food sustainability arguments that say some areas particularly suited to horticulture should be preserved.

Essential freshwater reforms

Also close to announcement are key decisions from the 'essential freshwater' policy consultation.

These are expected towards the end of the month, subject to ministerial and politically advantageous scheduling.

A series of regional announcements in which ministers and local govt will unveil partnerships with local community groups to fund clean-ups in polluted waterways will lay the groundwork.

'Three waters' reforms announced last week appear likely to create political challenges because they imply very large borrowing by some small local govt entities, and a revival of the chlorination debate.

Govt dysfunction on the rise again

The govt's struggle to execute a disciplined political and communications strategy is becoming apparent again.

Tragic though the events were, the March 15 mosque massacres created an unsought reset opportunity, with unified action and inspired leadership in response erasing the muddling start to the beginning of the year.

We are a long way from saying that the govt could lose the 2020 election, but it is inescapable that the

latest TVNZ Colmar-Brunton poll allows National to believe it could win if both NZ First and the Greens failed to get back to Parliament.

At 3%, NZ First is performing particularly poorly, although the party tends to poll better on election day. This week's abortion referendum ploy from Winston Peters is classic NZ First election year tactics - disloyal enough to demonstrate policy differentiation while not so out of line as to threaten the coalition.

At 6%, the Greens are in danger of sinking below 5% in 2020, particularly if the past is guide. The party generally underscores its opinion poll numbers on election day.

Ardern's own performance has also been lacklustre in recent weeks. The Opposition scored with its 'part-time PM' line when she visited Tokelau. She has appeared tentative and off her game in her few public appearances since. She continues to ride high in the latest OneNews poll, at **41% preferred PM, but that is 10 points down on the post-Christchurch 51% that marked her high point since becoming Labour leader almost exactly two years ago.** That is still well below John Key's highest score, which nearly touched 60% in the latter stages of his first term as PM, 2008-11.

For a govt so highly dependent on the popularity of its leader, Ardern's position is not as unassailable as it might be.

The case for electoral accommodations

These are concerns that are said to be exercising minds on the 9th floor of the Beehive and giving rise to embryonic consideration of electoral accommodations that could guarantee survival in 2020 by both partner parties in the current govt.

There is probably a deal to be done in Northland with either Winston Peters or Shane Jones being assisted into an electorate seat.

The Greens are more problematic. Obvious opportunities include Grant Robertson stepping aside to allow James Shaw to run unopposed on the centre-left for Wellington Central. However, it cannot be assumed that either Green or Labour voters would wear such a deal in sufficient numbers to guarantee success.

The fact that the issue is even being discussed is telling.

NZ First's abortion vote stunt

As is often the case with NZ First, the caucus appears

to have swung in behind its leader, Winston Peters, over his claim that Labour did not act in good faith over its abortion legislation.

But that support may be more for appearance's sake than a genuine consensus among the MPs.

In fact, it may be an early sign that NZ First is entering into a period of unpredictability and instability.

In making his claims about Labour, Peters argued that Justice Minister Andrew Little always knew that NZ First would want a referendum on any abortion Bill. The affair, however, shines a light on the unusual way in which NZ First operates.

Its caucus did discuss the Bill, and a possible referendum but Peters was not present. They apparently agreed that they would support Labour's proposals and not insist on a referendum. Tracey Martin was assigned the task of dealing with Little on their decision. The first they knew of Peters' call for a referendum was when he announced it outside the caucus.

What this points to is the growing disconnect between Peters and the rest of NZ First, which is growing wider as Peters finds his time and physical location more and more consumed by his foreign affairs role.

Even there, though, he manages to display his indifference to his Parliamentary colleagues. When he **hosted a dinner for US Defence Secretary Mark Esper at his St Mary's Bay home, his NZ First colleague and Defence Minister, Ron Mark, was not invited.**

In the past, Peters has disciplined his caucus by maintaining a tight influence over the party list. But he now faces a more assertive party president in Lester Gray and what must surely be starting to become a very restive caucus.

Meanwhile, MPs voted to liberalise abortion law by 94 to 23 at the first reading of the Abortion Legislation Bill.

Ihumatao - knottier than ever

The Maori land protest occurring near Auckland International Airport remains a threat to PM Jacinda Ardern's political brand with core parts of her constituency.

Refusing to go to the protest site is becoming a litmus test for some of the sincerity of her social justice positioning. National doesn't have to do much here, other than let the issue play out.

Ministers remain terrified of any resolution that reopens Treaty settlements. Meanwhile, the internal

politics of the land occupation is far murkier than predominantly soft media coverage suggests. The Tainui/Kingitanga involvement should not be read as unalloyed support for the protest group.

Early statements suggested support for the makers of the original deal with Fletcher Building.

The Maori Party, with its close links to the Kingitanga, is seeking to use the issue as springboard for its re-emergence by painting Labour's Maori MPs into a corner.

Conventional wisdom suggests a much-reduced community housing project and a larger land return are one way forward. That may not be enough to end the protest, which is being supported in part by activists willing to test police patience and resolve in the knowledge that any perception of police over-reaction will play into their hands.

Nats playing social media hardball

Simon Bridges is becoming emboldened in his use of aggressively targeted digital communications and data-mining to attack the govt.

National doesn't discuss who it uses for political advice, but there are signs the party is more than previously willing to use the kind of tactics that have worked so effectively for Donald Trump in the US, the Brexit movement and Boris Johnson in the UK, and Scott Morrison in Australia.

Both the Australian firm Crosby Textor and Auckland-based Topham Guerin are close to National. TG's Ben Guerin has been in Wellington lately, but professes to be less interested in political campaign work than building the international corporate base for his digital marketing business.

TG's approach to political advice is committedly pragmatic, regarding political strategy as best informed by game theory rather than principled pursuit of good public policy outcomes.

Of course, that has always been a feature of politics - there is nothing new about the need to win power over-riding integrity.

What is different, however, is the extent to which big data and digital technology are weaponising the ability to hone extremely specific messages to highly segmented groups. National's series of social media ads opposing the so-called 'electric vehicle subsidy' and the tax on high-emitting vehicles is the best recent example. The ads display a range of different

Seismic tax policy

Inland Revenue's upcoming tax policy programme will consider ways to encourage seismic strengthening for both commercial and residential property in the short-term.

vehicles, depending on the demographic of the identified viewer. A farmer is more likely to see a ute and a 'soccer Mom' a Toyota Corolla.

Elsewhere, Paula Bennett has shown National is willing to take risks to build on memes questioning the PM's integrity. Her Tweet about alleged bullying by a staffer "who works for the PM" may be accepted as a kind of politically self-interested whistle-blowing, but could just as easily create a backlash against exploiting unsubstantiated and inexplicit rumour.

The party does continue to do conventional policy development and will be **releasing an economic policy discussion document** in coming weeks.

Muller - promoted from climate change

National's chief negotiator on efforts to create cross-party unity on a core package of climate change policies, Todd Muller, has been moved in a minor reshuffle to take the primary industries portfolio instead. While Muller rises from 31st to 17th in the caucus rankings, the new position puts him squarely in the sights of National's core farming vote, where there is deep fear and anger to be tapped, particularly on proposed methane reduction targets.

This week's **IPCC report recommending dietary change, among many other measures to combat climate change**, won't help. NZ's **primary sector leadership risks being caught flat-footed** if a global switch away from animal protein starts to take hold.

Muller replaces Nathan Guy, who has announced his retirement from politics at the next election.

Hipkins gambles with trades training

NZ's 16 institutes of technology and polytechnics will be brought together to operate as a single institution from April 1, 2020. Up to seven industry-governed Workforce Development Councils will be formed by 2022 to replace and expand most of the roles of the existing industry training organisations. Education Minister Chris Hipkins justified the reforms by saying the fragmented system was failing to deliver workforce needs and was financially distressed.

However, the reforms have produced a very mixed reaction, particularly from better performing polytechs and from private industry training organisations, whose prospects are radically altered by the reform programme.

A litmus test for the reforms will be whether they improve or reduce the availability of skilled

workers in areas of critical shortage, including construction.

An Establishment Board of 10 members will guide the polytech work until it is superseded by the governing council of the institute. Wellingtonian Barry Jordan chairs the board.

KiwiSaver default review

A govt review of KiwiSaver default settings is under way, with submissions due by Sept 18. Among the most significant areas for review is whether to adopt a 'life-stage' approach to default fund choice. Younger savers would be placed automatically in less conservative funds than under the current default scheme.

Housing policy reset

Housing Minister Megan Woods has given no update on the housing policy 'reset', which the govt has been grappling with since before she replaced previous incumbent Phil Twyford. Govt communications efforts have ramped up on the number of new state houses being built. The Greens have renewed their enthusiasm for a 'rent-to-buy' policy.

No further NZ support for Iraq

NATO Secretary-General Jens Stoltenberg on a trip to Wellington welcomed NZ's commitment to contribute more peacekeepers to Afghanistan, but would not say if he was disappointed at the decision to withdraw NZ troops from Iraq after NATO requested the deployment be extended.

China's clunky diplomacy

The Chinese embassy in Wellington is simultaneously seeking better relations with various stakeholders, including news media, while exerting heavy-handed pressure on the govt not to express views about the Hong Kong protests.

Journalists invited to dine with senior embassy officials left laden with propaganda about the benefits of the Uighur Muslim internment programme and an offer of travel to the region.

The same briefing made very clear that the issue of Huawei's inclusion in NZ's 5G network was a litmus issue for diplomatic relations.

Meanwhile, the Chinese ambassador warned the govt to maintain its almost complete silence on the unrest in Hong Kong.

Health board deficits

District Health Boards' deficits grew to \$423m for the 11 months to May compared to \$204m at the same time in May 2018. 📊

Orr's 'path of least regret'

Against consensus expectations and market pricing for a 25bp rate cut, the RBNZ sprang a massive surprise by cutting 50bps at the August MPS.

The RBNZ cited the slowing domestic economy and global growth, recently exacerbated by deteriorating trade tensions between the US and China, as the reasons behind the OCR cut.

In the press conference, Governor Adrian Orr said the committee had weighed up cutting 25bps now and signalling another cut in the future versus an immediate 50bp move, and said the **"path of least regret" was "more, sooner" rather than the risk of "doing too little and too late."**

If the aggressive OCR cut delivers higher inflation expectations in a year's time, this will be seen as a **"quality problem"** to deal with. The RBNZ didn't signal a policy bias in the statement wording, but the forward OCR track –which indicates a terminal cash rate of 0.9% by Q3 2020 - and the Governor's comments in the press conference, in which he said "nothing is ruled out in the future", suggests the RBNZ retains a soft easing bias.

The bank's central scenario appears to be for no change to the OCR in September.

However, its revealed behaviour suggests the RBNZ will act aggressively and pre-emptively if global conditions or domestic data worsen further.

The danger, however, is that the RBNZ's signalling will further depress business and consumer sentiment by implying a level of potential global economic turmoil that has yet to emerge.

Meanwhile, the main impact of rate cuts appears likely to remain on the value of NZ dollar, with some degree of currency-targeting implied in the RBNZ's

stance. A follow-up **OCR rate cut in November must be regarded as being on the cards.**

Confidence indicators

The latest **ANZ-Roy Morgan survey of consumer confidence** fell 6 points in July to 116.4, the lowest reading so far this year. Perceptions of current conditions fell 2 points to 125.8 while the future conditions index fell 9 points to 110.2, the lowest level since Sept 2015. A net 39% still think it's a good time to buy a major household item, down just one point from the prior survey.

Real estate

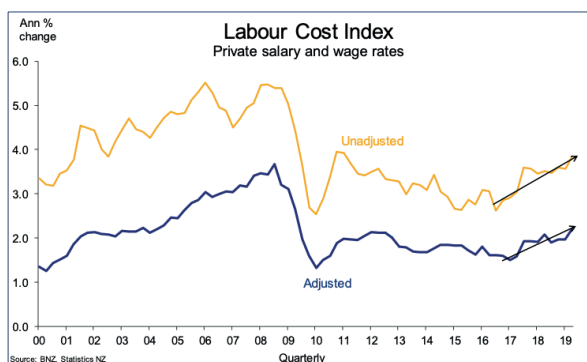
Average prices across the Auckland region were down 2.6% in July compared with a year earlier, whereas prices across Dunedin were up 11.7%. Extreme outliers include Otorohanga where prices were up 35.5% on a year earlier and Kawerau 29.2%. QV's official national index for July was up 2.2% to \$687,683 from a year earlier and 0.1% from the three months ended June.

The Auckland region consented **14,032 new homes in the year ended June 2019, the most ever consented in a year.** Nationwide 34,761 new dwellings were consented, up 5.8% compared to the same period a year earlier.

Weaker commodity prices

The ANZ world commodity price index fell 1.4% in July after a 3.9% drop in June. The July index was 0.5% lower than a year ago. In local currency terms, the July index fell 2.8% but was up 0.3% on the year. The forestry price index fell 8% as demand from China for logs fell. Dairy prices fell 1.6% in July, but are now starting to firm. The meat and fibre index lifted 1.6% in July following a similar lift in June. ■

Labour Costs Pushing Higher



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Wage pressure emerging

Govt ministers were delighted to see market consensus defied and the unemployment rate drop to an 11 year low of 3.9% on a labour market participation rate still high at 75.1%.

The impact of what is essentially full employment, combined with a rising minimum wage and some very large-scale public sector wage movements can be seen in accelerating wage growth (left).

There are clear signs emerging that the private sector is struggling in some sectors to compete with public sector wages.

Social workers and retirement care staff are being lost to the public sector by private employers. The teachers' pay settlement, the largest in the country, is likely to have an impact too.

CORPORATE ROUND-UP

Corporate earnings season kicks off

The corporate earnings season will fill business news headlines for the next two to three weeks, with forward guidance more than ever the bellwether. Results already announced from retailers **Kathmandu**, **Briscoe**, and **The Warehouse** were all more buoyant than current sentiment might have suggested. However, they remain a rearview mirror perspective on the economy.

Banking, finance and insurance

AMP renegotiated the sale price of its life insurance business on both sides of the Tasman to Bermuda-based **Resolution Life** for A\$3b. This is A\$300m less than the original price after the **RBNZ** refused approval for the NZ life business to continue operating as a branch. The new sale agreement remains conditional on regulatory approvals.

FMA ceo **Rob Everett** used a **Transparency International NZ** event to express frustration and incomprehension at the lack of proactive response that regulators found among NZ banks and insurers after the Australian commission of inquiry into banking misconduct. "The banks and life insurers have had years to prepare for this," said Everett. "I found it hard to comprehend that the industry didn't get its act together and have a perfect story to tell."

Instead, the **FMA** and **RBNZ** had found enough evidence of poor practice to justify proposals for new legislation to place far higher behavioural standards and sanctions on the sector.

ASB Bank lifted annual net profit 8.2%, including the one-off profit from selling **Paymark**, but says the underlying rate was more subdued than in previous years. It reported a \$1.27b net profit for the 12 months ended June, including the \$46m **Paymark** profit, compared with \$1.18b the previous year.

Westpac is to refund \$7m to 93,000 NZ customers overcharged due to incorrect calculation of rewards and fee-waivers on some accounts.

Insurance Australia Group's NZ division benefited from good weather, a lack of disasters and ongoing gross written premium growth driving a 79% jump in annual earnings. The local unit reported an insurance profit of A\$390m in the year ended June 30, up from A\$218m a year earlier.

Suncorp Group's NZ general insurance profit income almost doubled to \$217m, with gross written premium up 8.4% at \$1.67b and net incurred claims down 5.7% at \$697m.

Primary industries

Fonterra failed to find a buyer for its 18.8%

shareholding in **Beingmate** and has instead signalled its intention to sell parcels of shares, as buyers emerge.

The **Global Dairy Trade** price index fell 2.6% from the previous auction. The average price was a US\$3,253 a tonne, compared with US\$3,412 a tonne three weeks ago. 34,969 tonnes of product was sold, up from 25,000 tonnes three weeks ago. Whole milk powder average prices slid 1.7% to US\$3,039 a tonne.

Seeka is looking at a potential sale and leaseback on some or all its orchard portfolio in Australia to accelerate orchard development and repay debt. It has around \$49m invested across both the post-harvest and orcharding business in Australia.

Aquaculture

NZ King Salmon is targeting construction of the country's first 'open ocean' salmon farm by late 2020. The company says the consent application lodged early last month for 'Blue Endeavour' - a \$25m-to-\$30m submersible salmon farm about six km off D'Urville Island - has been accepted by the Marlborough District Council. Assuming the application is not appealed to the **Environment Court**, or called-in to the **Environmental Protection Authority**, that could allow a decision by Nov. The **Cawthron Institute** hosted NZ's first 'open oceans' symposium in Nelson, showcasing offshore aquaculture techniques being developed in other parts of the world, particularly Norway.

Cabinet approved policy provisions for the drafting of a **National Environmental Standard for Marine Aquaculture** to deal with consents for marine farms which are due to expire after they were rolled over when the Resource Management Act came into force. Cabinet papers also indicated officials were working on extending charges for the use of marine space.

Energy

A report for **Transpower** shows that much of the country's **industrial process heat** could be electrified now with existing industrial heat pumps and other technologies able to cover a large proportion of total demand.

Volumes traded on the **spot gas market** jumped to a record last month as industrial users locked in supplies for the rest of the year. Trades for 1.49PJ of gas were booked on **emsTradepoint** last month, an all-time high for the six-year-old market and 43% higher than the previous record set in August 2017.

Genesis Energy said production from the **Kupe** field will steadily decline until a new compression project is completed in mid-2021.

Infratil says it may post a \$33m loss on the sale of

its 80% stake in **Perth Energy**. **AGL Energy** will pay A\$55m in cash for the business and a further A\$14.9m during the next three years subject to financial performance and other terms.

Telecommunications, media and entertainment

Spark is moving to counter the potential for inexperienced users and rural communities to miss out on streaming of the **Rugby World Cup**. It has introduced a home streaming set-up service and is offering to screen RWC matches for free to 150 rural schools. **Spark** and **Sky TV** have also cut a deal where the pay-TV operator's commercial customers will be able to access the RWC using a Sky decoder. Long-time corporate affairs head **Andrew Pirie** will leave **Spark** later this year.

2Degrees ceo **Mark Aue** insists the company, 10 years old this month, has the capacity to fund an incremental 5G rollout and that its owner, Toronto-listed **Trilogy Partners International**, is committed to the NZ business. He argues **2Degrees** continues to take market share from incumbents **Vodafone** and **Spark** and that business market growth is a key area for growth.

Vodafone NZ will launch 5G services in Auckland, Wellington, Christchurch and Queenstown by year's end, although the exact nature of those services is unclear. It also launching a challenger to **Spark's** low-cost **Skinny** mobile brand.

Transport, tourism and infrastructure

Napier Port shares will sell at \$2.60 - the top of the indicated range - after preferential investors picked up a fifth of the stock on offer. Of the 7,591 staff, iwi and locals who applied for their guaranteed allocation almost 90% received it in full.

Wholesale and retail

Kathmandu Holdings annual profit rose 13% on faster sales growth across the Tasman and new contributions from its **Oboz Footwear** acquisition. Pre-audit net profit was \$55.5m-\$57m in the year ended July 31, up from \$50.5m a year earlier, with total sales up 9.6% at \$545m. Same-store sales increased 0.6% on a constant exchange rate basis as a 2.7% increase in Australia offset a 3.9% decline in NZ.

Briscoe Group reported sales of \$303m in the 26 weeks ended July 28, up 3.3% on the previous first half. Net profit in the year ended July 29, 2018 was \$29.3m, up 2.7% on the year.

Information technology

Datacom Group reported a net profit of \$42m in the

year ended March 31, up from \$23.5m a year earlier, on a 2.4% increase in revenue to \$1.29b. Stripping out adjustments for new accounting standards, revenue was up 17%. It now employs about 6,500 people worldwide, up from 5,332 a year earlier.

Healthcare and retirement

Vital Healthcare Property Trust's manager is seeking investments, claiming around \$350m in its warchest.

Abano Healthcare's annual net profit dropped 26% to \$7.6m in the year ended May, reflecting falling margins in NZ and Australia and writing off goodwill on four Australian dental practices.

Green Cross Health said it has had to sacrifice margin to combat increased discounting by "some large foreign retailers," particularly of the govt prescription charge.

Health and safety

Supermac Group Resources was fined \$304,750 and ordered to pay reparation of \$238,000 by the **Tauranga District Court** after a worker was paralysed in a construction site accident.

The **agriculture, forestry, and fishing industries** had the highest rate of work-related injury claims in 2018 with 190 claims per 1,000 full-time equivalent employees in 2018. This was a slight increase on 2017 with 187 claims per 1,000 FTEs. **Stats NZ** said the rate for all industries in 2018 was 102 claims per 1,000 FTEs, unchanged from 2017.

Capital markets

NZX warned **Enprise** and **Cooks Global Foods** it will suspend trading in their shares unless their annual reports are filed by the close of trading on Aug 7. Both companies used to be listed on the now defunct **NZAX** for smaller companies and had waivers to make a late return, but the grace period is now over.

Courts and regulation

The amount awarded against former **Mainzeal** directors will remain at \$36m, the **High Court** ruled.

The **Court of Appeal** has appointed receivers to enable the sale of **Taupo's Huka Lodge** so it can be sold as part of the decades-long litigation between **Michael Kidd** and **Alexander van Heeren**.

Corporate leadership

The number of **female directors on boards** of the **NZX's** top 50 firms is up to 85 from 77 the year before. The number of women in company executive positions was down to 97 from 117 two years ago. ■

LEGISLATION

Abortion bill to select committee

Parliament set up a special select committee to consider the **Abortion Legislation Bill** with two members from National and Labour and one from each other party.

Ruth Dyson was appointed unopposed to **Assistant Speaker** to fill the vacancy after **Poto Williams** was appointed a minister.

The **End of Life Choice Bill** has been a dominant issue. MPs completed debate on one part with the Bill promoter, David Seymour, successfully having his amendments inserted into the legislation. Debate is likely to be drawn out to late October as Members' bills are only debated every second Wednesday when the House is sitting. The practical result of this is **no other progress will be made on Members' Bills** and there will be no new bills drawn from the ballot.

- *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

Referendums Framework Bill - Introduced July 29. Sets out provisions for the conduct of referendums to be held alongside the 2020 general election. Details of the questions to be asked will be finalised by an Order in Council. Ministers have indicated a referendum will be held on the legalisation of cannabis and possibly the End of Life Choice Bill. First reading completed Aug 6 with National opposed as it believed the wording of the questions to be asked should be agreed by Parliament. The party was also opposed to the early report back date from the Justice Committee of Nov 11. The govt said this was necessary for the Electoral Commission's administration purposes.

Electoral Amendment Bill - Introduced July 29. Allows voters to enrol on election day, expands the range of premises that can be used as voting places and makes administrative changes including rules to account for the disruption of election day and voting. First reading Aug 6, sent to the Justice Committee with National opposed.

National Animal Identification and Tracing Amendment Bill (No 2) - Introduced July 23. Changes the NAIT system after recommendations of the OSPRI-led Review 2016-18. Addresses issues identified during *M bovis* response. First reading July 30 with all parties in support. Sent to the Primary Production Committee for Nov 4 report back.

Bills in progress

Privacy Bill - Introduced March 20. Repeals and replaces

the Privacy Act 1993, as recommended by the Law Commission's 2011 review of the Act. *Second reading completed Aug 7 with all parties in support.*

Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Bill - Introduced Feb 19 2019. An omnibus bill amending the law in relation to the linkages between NZ's financial markets and international financial markets, in particular through derivatives markets. *Second reading completed on July 30 with all parties in agreement.*

Regulatory Systems (Economic Development) Amendment Bill - Introduced July 11. One of three cognate omnibus bills amending legislation administered by the Ministry of Business, Innovation and Employment. *Reported back Aug 2 with changes in the areas of liquidations, insolvency, trademarks and credit contracts.*

Regulatory Systems (Housing) Amendment Bill (No 2) - Introduced Dec 12, 2018. *Reported back Aug 2 with one change increasing penalties for retirement villages with misleading advertisements.*

Taxation (KiwiSaver, Student Loans, and Remedial Matters) Bill - Introduced June 27. Omnibus bill mainly making administrative changes to KiwiSaver and student loans. Also extends the refundability of research and development tax credits. *Completed first reading on July 23 and sent to the Finance and Expenditure Committee with just ACT opposed.*

Administration of Justice (Reform of Contempt of Court) Bill - Introduced March 22. Member's bill in the name of Chris Finlayson. Proposes an overhaul of the law of contempt in the courts by codifying common law. Second reading interrupted on May 29 with Andrew Little indicating he was considering reinserting some form of protection for judges and the courts from extreme criticism. *Committee stage completed Aug 7 with Little introducing an amendment making it an offence to make a false statement about a judge. He said this was narrower than the old 'scandalising' offence and would not make it an offence to be critical of a judge's decisions.*

Bills passed or abandoned

Health (Drinking Water) Amendment Bill - Introduced July 5. Amends the drinking water parts of the Health Act following the govt Inquiry into Havelock North Drinking Water. *Second reading completed June 27 with all parties in support. Committee stage completed on July 23 and third reading on July 25 with all parties in agreement*

Residential Tenancies Amendment Bill (No 2) - Introduced May 23. Addresses issues related to liability for damage to rental premises caused by a tenant, methamphetamine contamination in rental premises, and tenancies over rental premises that are unlawful for residential use. *Committee stage completed July 23 and third reading on July 24 with all parties in support.* 