

## 'Camp Freedom' digs in

Page 2

The anti-mandate protest at Parliament is turning into a wider anti-government 'pile-on' that is gaining support and material backing that reflects a range of public and business owner frustrations with the prolonged covid response. Ministers and MPs continue to refuse to engage. The irony is the calls to remove the mandates are coming as the need for mandate fades away.

## Parliament camp vs road closures

Page 2

Having failed to dislodge the protesters with aggressive tactics, ghastly weather, even more ghastly music at all hours and pleading, it is becoming clear that the protest on Parliament grounds will be tolerated for, potentially, many weeks. The focus of response is now to open the roads and businesses around Parliament that have been shut down by the protest.

## The prospects for fourth and fifth doses

Page 2

The first two shots are part of the mandate regime, but the third 'booster' is not. The potential for fourth and fifth shots this year and next year are also likely to accelerate a shift towards letting the mandates dissolve away, albeit well after the end of the protests.

## How long does self-isolation have to run?

Indications from the Beehive are that the current self-isolation rules for both international travellers and NZers infected with or exposed to omicron could disappear as suddenly as MIQ, once the peak of the current outbreak is clearer. Until that happens, however, there is little prospect of any revival in international tourist numbers, despite gradual border opening.

## Modelling the outbreak peak

Page 4

New, evidence-based modelling from Wigram Partners suggests that NZ could experience a relatively low infection peak, survivable rates of hospitalisation and a low total death toll from the omicron outbreak. We continue to believe that by Easter, if not earlier, the government will have a clear view of whether restrictions relating to the outbreak can start to be relaxed.

## A difficult six weeks

However, the next six to eight weeks will be political, socially and economically testing. While some political leaders and businesspeople are optimistic about a relative 'end' to covid as early as May, the public is still a long way behind and remains fearful and inclined to lockdown, despite the omicron response explicitly not being a lockdown.

## What could possibly go wrong?

The history of viruses says that they eventually become not only endemic, but that they also tend to fizzle out. It is tempting to hope that omicron represents a step towards both. However, it remains unknowable whether a more virulent, equally or more transmissible variant might yet emerge. Public compliance and political will for a third year of ongoing stringent measures must be questionable, should that happen.

## The perverse challenge of 'Camp Freedom'

No government minister will meet with representatives of the protesters camping on Parliament's lawns and clogging surrounding streets while they demand a complete and immediate removal of covid mandates.

Yet, paradoxically, the politically confronting protest is occurring just as the end of covid mandates is starting to become visible.

As we report elsewhere in this edition, mandates are already not required for the 'booster' third vaccination shot and if there are fourth and fifth boosters recommended, it is highly unlikely that they will be mandated either.

As omicron spreads and makes covid-19 an endemic disease, the need for mandates recedes, especially now it's clear vaccinated people can catch, re-catch and spread covid, albeit with much less risk to themselves and the hospital system.

However, any such signal now is problematic for two key reasons:

- the omicron outbreak is only now beginning to accelerate and its peak is unpredictable, albeit likely within the next eight weeks. Now is not the time to signal relaxation of vaccine requirements when about 1m NZers have still not got their booster. As we discuss below, omicron is a variant that lends itself to mixed public messaging. Adding mandate relaxation to the mix would only confuse it more;
- no one in Parliament wants to give the protesters a win. For a sense of how the dynamic would play against Jacinda Ardern if there were a move to relax restrictions now, Canada is instructive. It is far further through its omicron outbreak and several Canadian states have begun removing mandates. For the protesters camped around the federal parliament in Ottawa and blocking US-Canada border crossings, this is being claimed as a win for their actions. State governments are insisting they are moving because it is safe to do so. The political optics, however, are more poison for the increasingly hapless-looking Justin Trudeau. To the extent that Ardern and Trudeau are often compared, the PM will be sensitive to any similar outcome here. As a result, the potential to de-escalate through engagement or concrete actions to appease the protesters looks very unlikely. Likewise, Ardern will be noting that neither Trudeau nor her polar-opposite Australian counterpart, Scott Morrison, look capable of being re-elected at the moment.

## So what happens next?

There is now a distinction being drawn between allowing a protest to dig in for the long haul on Parliament grounds, and the desire of Wellington city to regain control of its main bus terminal, arterial route from the CBD to the motorway, and for businesses, the university and residents to return to normality.

The removal of cars and trucks is therefore the halfway house resolution that is now being sought. Neither the police nor Wellington City Council (nor senior Cabinet ministers) have found the Speaker, Trevor Mallard's, antagonism of the protesters constructive. It hardened their resolve.

However, a late Thursday statement from Mallard opened the door a crack to discussions, if protesters were to clear the streets. The lack of coherent leadership in the protest is a major impediment to progress.

We expect that if the police begin to remove vehicles over coming days, protesters will initially attempt non-violent obstruction, but that a small hard core will cross the line and face arrest.

If they are not immediately bailed, their capacity to keep up a sustained resistance to vehicle removal will be limited.

However, the televised images of violence risk both galvanising support for the protest and making martyrs of participants.

## Should the protests be ignored?

There can be little doubt that the protests have exposed an underbelly of deep discontent after two years of covid stress and restrictions that is playing out not only in the parliamentary protest but in substantial tacit support the protesters are enjoying.

A poll of 520 people by Horizon NZ on Wednesday and Thursday this week found 30% supported the protest, despite the near-blanket ban on contact between MPs and the protestors.

It is valuable that the existence of a small but vigorous and potentially violent alt-right sub-group in the protest has been exposed.

The activity, particularly, of the **Steve Bannon-linked Counterspin Media** platform, and its closeness to the neo-fascist Arp brothers from Christchurch, should give all NZers pause.

## An opportunist pops up

The fact that the protest represents more than just the rag-tag group on the ground in Parliament is reflected in the fact that **Winston Peters** is attempting

to use the groundswell of covid frustration to relaunch NZ First.

It is far too early to say whether this naked opportunism will bear fruit, but for all that he is approaching 80 years of age, Peters has always had a shrewd sense for pockets of populist disaffection that could carry him back to Parliament and potentially into another government.

## Mixed messages on omicron

On one hand, self-isolation is being required of anyone who either contracts covid-19 or is a notified close contact, including household members.

On the other, the government is pushing a narrative intended to encourage people who are not sick to go to their workplaces as normal.

Finance minister **Grant Robertson**, **Jacinda Ardern** and **Chris Hipkins** are all channelling this advice, which may have originated with **Rob Fyfe**, who has been advising that **Michael Hill International** stores in Australia and Canada found shoppers returned to the streets about six weeks after their omicron outbreaks began – and well before they were over.

This appears to reflect the extent to which the public accepted both the endemic nature and less severe effects of omicron, and were more willing to take the risk of exposure to a mild illness if fully vaccinated.

That ministers are adopting this line is a substantial shift in position that reflects not only the fact that the omicron outbreak is not a lockdown, but that they are becoming deeply concerned about economic scarring from a self-imposed lockdown mentality taking hold during the outbreak.

That scarring is most visible in the hospitality, high street retail and entertainment sectors, which are not large parts of the economy but are highly visible when they fail or are distressed.

Ardern and Robertson have said they are working on targeted income support for some in the hospitality and tourism sectors, particularly in Queenstown and Auckland, but they have ruled out a repeat of the broad wage subsidy and resurgency payments of 2020 and 2021. The focus is now on deficit reduction and dragging debt/gdp back down, particularly with inflationary pressures on prices and wages, and the need to be a ‘mate’ to monetary policy, which is also being tightened.

## Fear, fatigue and resentment

One of the challenges to encouraging ‘work as normal’, however, is the fact that it runs counter to the fear that widespread cases of omicron will

decimate workforces and lead to supply chain and other production disruptions.

Most large-scale employers are taking extra precautions at present to protect their workforces by enforcing work from home, team bubbling, and separated work spaces for essential and non-essential staff.

Nonetheless, with covid fatigue palpable among the public, it is possible that if the omicron outbreak comes to be seen as manageable, activity in public and workplaces may pick up.

Unlike Australia and Canada, however, NZers have no previous outbreak to compare against and there are significant levels of fear about contracting the virus. Counter to that, particularly in Auckland, is antipathy to being cooped up a moment longer than is necessary after last year’s extended lockdown.

## The problem with RATs

Rapid antigen tests have become something of a totem for dealing with the omicron outbreak and a rallying point for critics of the health ministry’s belated and tepid enthusiasm for them.

However, their efficacy as a frontline tool against infections in workplaces may be overstated.

The ministry’s reluctance to use them has been partly because they are not as reliable as PCR testing and that, unless there is widespread covid transmission in the community, they are of limited use.

But there are concerns – including among key business advisers to the government – that employers may be putting too much faith in RATs to show up omicron cases early.

Because omicron is unlike covid-a and delta, and presents in the airways, RATs can pick up infections later than nasal and saliva PCR tests.

## Alternative views of the peak

Among new perspectives surfacing as omicron takes hold is fresh modelling from Rodney Jones’s Wigram Partners, which has consistently expressed concern that modelling preferred by the government has tended to focus on worst case scenarios.

Jones has produced a new model – not a forecast or a prediction – whose outcomes using reasonable presumptions about vaccination rates, the efficacy of public health measures such as masking and self-

### Coming up...

**Feb 21** - Australia (except WA) reopens with 1-2 days self-isolation

**Feb 28** - NZ residents can return from Australia, but must self-isolate for 7 days

**Mar 14** - NZers can return from elsewhere MIQ-free

**April 13** - Offshore temp visa holder, students

**May 19** - Budget 2022

**July 1** - All Australians and visa-waiver others can come

**Oct 1** - Border open to all

isolation suggest:

- a relatively survivable peak at near 10,000 cases a day three months into the outbreak
- Hospitalisations peaking at around 135 shortly after that, few of which would be ICU cases and well within hospital capacity.
- Total cumulative deaths within a year of the outbreak of around 330 to 350.

We present this modelling cautiously and urge again that it not be treated as a forecast or prediction. Rather, it represents a defensible, reasonable and less apocalyptic version of the outbreak which, if realised, would allow the government to reduce restrictions and open the border earlier.

One factor in the Govt's thinking on border opening and hospital capacity management is the likelihood of a wave of winter flu infections. New Zealanders will be emerging from two years of not being exposed to the latest strains circulating the globe. This could further test vaccine hesitancy.

### Heavier hitters join union

The Taxpayers Union appears to be trying to move beyond its gadfly image with the appointment in the last month of two heavy-hitting board members: former finance minister **Ruth Richardson** and former NZIER ceo **Lawrence Kubiak**.

The TPU has also found itself more regularly reported by mainstream media since beginning to release political opinion polls by long-time National

Party pollster **David Farrar's Curia Research**.

The latest Curia poll put Labour support up 1.1 points to 42.3% support and National up 5.4 to 38.4%. The first Newshub-Reid Research poll of the year put Labour on 44.3% support, up 1.6 points and National on 31.3%, up 4.4 points. ACT is down eight points on 8%, the Greens on 9.6%, up 2.4 points. As preferred PM, Jacinda Ardern is still ahead on 43.3%, up 1.6 points. Christopher Luxon has jumped 15.3 points since becoming National's leader and is on 17.8%.

A Roy Morgan poll recorded National increasing its support 3.5 points to 35% in January. Labour support dropped 2.5 points to 33%.

### PM offshore plans

PM Jacinda Ardern is tentatively planning an April trade mission to Asia, which will inevitably avoid still-closed China. In May, she will visit the US with an invite to make the prestigious annual Harvard University commencement address. A White House visit is being explored but is unconfirmed. The UK and Europe beckon in July, with a possible EU FTA signing, and a first visit to Australia is scheduled for the annual leadership summit in July.

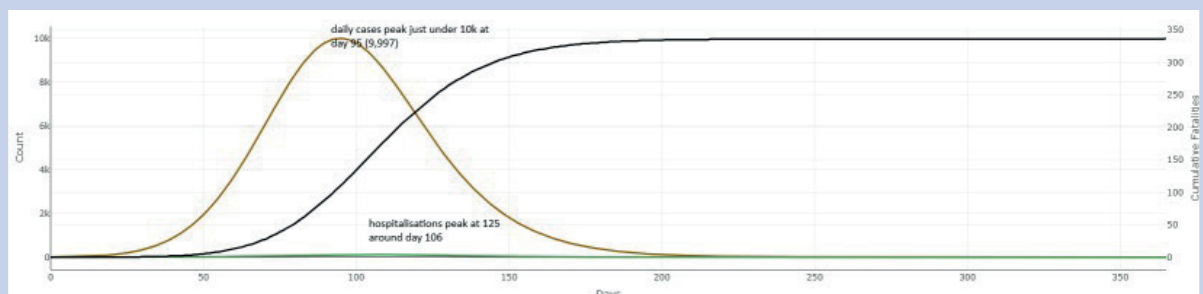
### Budget date

The budget will be read on **Thursday, May 19**.

### Three waters

The government remains committed to passing three waters legislation this year, even if it coincides with local government elections. 🇳🇿

## Modelling – what to believe?



### WCA omicron model - newly released from Wigram Partners:

- 9,997 daily infections peak at day 96
- Hospitalisation peaks at around 125 around day 106
- Total cumulative fatalities in one year – 336

#### Implications:

- Survivable
- Less severe than worst case modelling
- Case for severe restrictions greatly weakened

### Key assumptions

- Reduction in tx due to public health measures = 20%
- Probability of isolation for symptomatic cases = 80%
- Probability of isolation for asymptomatic cases = 50%
- Reduction in tx owing to isolation = 40%

Changing any of these variables changes the answer, but it is a reasonable way to discuss possibilities

Less skewed towards calamity than other modelling

Source: Wigram Partners



## RBNZ rate hike locked in

The Reserve Bank is expected to put up the Official Cash Rate for a third time by 25 basis points to 1.0% next Wednesday when it releases its first full Monetary Policy Statement of the year. A 50 basis point is even seen as a possibility by some traders, although fewer economists see the central bank dragging out the 'bazooka'.

If anything, the economy is throwing off even more inflationary heat as the summer ends. That's despite the disruptions from the surging omicron outbreak, the 'red' settings restricting the hospitality and events sectors, and the ongoing effective closure of the borders, until Feb 28 at least, and not then not fully open to tourists until Oct. The housing market is also coming off the boil, but consumer spending remains strong with unemployment at record lows and household incomes growing as wages perk up.

Rent, food and fuel inflation continue to bubble up into the CPI figures and the sphere of political pressure on the Govt. Rejuvenated Opposition front benchers Simon Bridges and Nicola Willis repeatedly attacked the government over cost-of-living issues in the first two Parliamentary weeks of the year.

The political and macro-economic pressure on both the fiscal and monetary policy operators is building.

The Reserve Bank's latest survey of businesses showed they expected inflation to 4.4% one year out, up from 3.7% three months earlier. That's the highest since the Nov 1990 survey, when one-year ahead inflation expectations were 5.9%.

Monthly food prices rose 2.7% in Jan 2022, Stats NZ said. This is the biggest monthly rise since Jan 2017, when monthly food prices rose 2.8%.

The annual cost of living increase, as measured by the household living-costs price indexes, was the highest recorded since the series began in 2008 for 7 out of the 13 household groups, Stats NZ said.

The cost of living was 5.2% higher for the average household in the Dec 2021 quarter than the Dec 2020 quarter. The living cost increases ranging from 4.8% for the beneficiary household group to 5.4% for the highest-spending household group.

## Pressure to relax CCCFA rules

The one headwind building for the economy is a slowdown in house price inflation over the summer, thanks to banks rejecting more mortgage applications. ASB reported the introduction of CCCFA rules prescribing lending officers to do more forensic checks on affordability had caused the bank to reject 7% of mortgage applications since Dec 1.

Initial Reserve Bank lending figures show a fall in Dec show a slowdown in lending growth, although it's not clear yet it was solely due to the CCCFA changes. The Reserve Bank also tightened its LVR rules from Nov.

However, Commerce Minister David Clark signalled again this week that small regulatory tweaks could be made quickly to reopen the taps.

Clark rejected a proposal from National for a more wholesale carveout of bank mortgage lending from the CCCFA legislation, but said banks had asked for faster and smaller regulatory tweaks that he was looking at.

## House prices falling

The pressure to reopen the tap is coming from mortgage brokers and real estate agents who say the CCCFA is a factor in the market cooling in Dec and Jan. REINZ figures showed the House Price Index (HPI) down 1.5% in Jan and down 2.7% from its peak in Nov.

Some of the previously most-fevered markets have come off the boil more aggressively. Porirua's house price index was down 3.2% in January and is now down 7.0% from October. Auckland City is down 6.0% from its November peak and fell 3.1% in January from December.

Although there continues to be plenty of new supply coming in. The number of new homes consented in the year ended Dec 2021 rose 24% to a record 48,899. Prior to 2021, the highest number of new homes consented was 40,025 in the year ended Feb 1974. That record stood for 47 years until the year ended March 2021, when 41,028 new homes were consented.

The record consents also come against a background of no population pressure. There was a net migration loss of 3,900 in 2021, which the first for a calendar year since 2012.

## But a healthy budget

The low unemployment and robust spending is however helping the Crown accounts, which were better than forecast for the six months to the end of Dec. The Obegal deficit at \$8b was \$2.8b lower than that forecast in HYEUFU. Tax revenue was \$1.5b above forecast at \$51b, due to better-than-expected corporate profits and GST returns. 🏠

### Coming up...

**Feb 23** - RBNZ releases MPS and seen hiking OCR to 1.0%

**Mar 16** - US Federal Reserve FOMC expected to hike

**Mar 17** - Dec Qtr GDP due

**April 13** - RBNZ OCR call

**April 21** - Mar Qtr CPI due

**May 4** - RBNZ Financial Stability Report due

**May 19** - Budget 2022

**May 25** - RBNZ MPS due

**CORPORATE ROUND-UP****Banks, insurers and fund managers**

The local division of Australian insurer **IAG** reported a profit of A\$99m in the six months ended Dec 31, down from A\$162m a year earlier. The fall was largely due to a 25.6% increase in its net claims to A\$565m due to floods last winter.

**Suncorp's** NZ unit reported a 35% drop in first-half profit as heavy storms through the middle of 2021 saw more claims paid out than the insurer expected.

**ASB Bank** lifted first-half net profit 23% with home lending up 8% and business lending up 10%, with its margins improving from the previous first half. The bank's net profit for the six months ended Dec rose to \$762m from \$619m in the same six months a year earlier.

The **Reserve Bank** is starting proof-of-concept design work on a central bank digital currency.

**ANZ Group's** NZ-born ceo **Shayne Elliott** is reported to have told senior executives he plans to stay on for a couple more years, scotching speculation he would leave after six years in the job.

**Energy and resources**

The **Tiwai Point** aluminium smelter's majority owner **Rio Tinto** wants to keep it operating past its previously signalled closure date in 2024. High aluminium prices and reduced supply from smelters internationally due to climate change policy has made the operation more profitable. **Meridian Energy**, which is the main supplier of electricity to the smelter, said it had not yet had any talks to negotiate a new contract.

Japanese industrial giant **Mitsui**, British-based industrial gas company **BOC**, and two Australian energy producers with global clout – **Fortescue Metals Group's** future industries division and **Woodside Energy** – have been shortlisted to produce proposals for the Southern Green Hydrogen project.

The project is intended to be large enough to replace the Tiwai Point load. Some believe the smelter and hydrogen plans could co-exist, particularly if Southland's wind resource is developed.

British company **Harmony Energy** is seeking fast-track consent to build what would be NZ's largest solar electricity generation plant near Te Aroha, in the Waikato region.

Contact Energy reported a 72% increase in npat for H122, citing "a period of strong hydro generation". Operating earnings increased by \$76m to \$322m, up 31%.

**Manufacturing and construction**

**Fletcher Building's** first-half net profit rose 41% after a particularly strong second quarter. Net profit for

the six months ended Dec rose to \$171m from \$121m in the same six months a year earlier. It reported higher profit margins from building materials and forecast higher-than-expected group EBIT for the year of \$750m.

**Vulcan Steel** lifted first-half revenue 35% with sales volumes up 10%, leading to an 85% jump in net profit. It again upgraded its forecasts for the full year.

An Auckland construction firm with seven significant commercial contracts under way has collapsed, owing unsecured creditors \$1.7m.

**Skellerup** beat its most recent upgraded guidance with a 19% lift in first-half net profit and said both its agri and industrial divisions achieved record results. It is now forecasting a full-year net profit between \$44m and \$47m, an increase of 9.5%-to-16.9% on the previous year's \$40.2m.

Electric motorbike builder **UBCO** appointed three new board members and is focusing on the US adventure market ahead of a \$50m capital raise.

**Primary sector, food and beverages**

Global dairy prices jumped 4.2% in the latest auction and whole milk prices hit the highest average price in the past five years. The average Global Dairy Trade price selling price was US\$4,840 a tonne, with whole milk powder up 4.2% to US\$4,503 a tonne, while skim milk powder rose 6% to US\$4,295.

**Sanford** cleared its frozen inventories and benefited from better pricing for its wildcatch products for the Dec quarter.

Honey producers launched an appeal against a decision by UK officials to reject their bid to trademark the term "mānuka honey."

**Retail and wholesale**

**Kathmandu** cut its first half earnings forecast to between \$9m to \$11m, down from \$48.2m a year earlier.

**Briscoe** forecast record full year profit on booming sales and rising margins. It forecast a profit of about \$87m, up 20% from a year ago.

**Hallenstein Glassons'** earnings for the past six months were hit by covid on both sides of the Tasman with more than 5,400 trading days lost. This resulted in a 6% fall in its half-year sales to \$170m. It is now expecting half-year profit to fall at least 40%.

**Service industries and healthcare**

**Ebos Group** latched on to a covid tailwind behind many healthcare companies to notch up a record first-half profit. It lifted net profit to A\$101.9m (NZ\$109.8m) in the six months ended Dec 31 from A\$94.3m a year earlier on a 12.8% increase in revenue

to A\$5.3b. Underlying profit rose 15.8% to A\$109.3m.

### Tech, telcos, media, IT and entertainment

**Blis Technologies** reported a loss of \$400,000 for the three months to Dec 31 on the back of a \$100,000 dip in revenue to \$2.3m – largely due to covid impacts.

**NZ Rugby** reached a deal with the **NZ Rugby Players Association** to bring in US equity firm **Silver Lake** as a minority partner in a deal valuing the All Blacks commercial machine at \$3.5b. Silver Lake will invest \$200m in **CommercialCo**, which will own NZ Rugby's revenue-generating assets, and between \$62.5m and \$100m will be offered to local investors, with the US firm underwriting the offer. The US firm will own between 5.7% and 8.6% of **CommercialCo**, depending on the uptake, down from the 12.5% stake the provincial unions approved last year.

**Rakon** again increased its earnings guidance for the year ending March 31, from \$49m-to-\$53m. In April of last year, the guidance for the March 2022 financial year was \$27m-to-\$32m, rising to \$39-to-\$44m in Sept and again to \$44m-to-\$49m in Nov.

Artificial intelligence startup **Soul Machines** raised US\$70m (NZ\$105m) in a funding round led by new investor **SoftBank Vision Fund 2**.

**Vodafone NZ** says it has stabilised legacy IT systems and customer satisfaction is improving, but it is not yet able to easily create new products. Guidance for earnings remained on track at between \$480m and \$510m for the year to March 31. Ebitda for the first half of the financial year was \$251.8m, up 12.1% on the same period a year earlier.

**SkyCity** made a first half loss of \$33.7m, with operations affected by covid-19 related disruptions.

**MediaWorks** will launch its new talkback radio station **Today FM** next month, as the group ramps up its bid to take on **NZME's Newstalk ZB**.

Maverick broadcaster **Sean Plunket** announced the line-up for his new online vehicle, **The Platform**, which will launch shortly.

### Transport and logistics

NZ's ports are potentially the most exposed sector of the economy to surging omicron cases, with absenteeism as high as 15% likely to create immediate disruptions to the logistics chain according to a poll of supply chain operators and businesses by Massey University.

**South Port** is warning the disruptions to global supply chains will continue to weigh on its earnings after reporting a 3.3% dip in first-half profit. It reported a profit of \$5.9m in the six months ended Dec 31, down from \$6.1m a year earlier.

**DGL** said it now expects to report revenue of A\$343m in the June year and earnings A\$54m, up from the A\$209.7m and A\$29m forecast in May.

Upgrades to the Kaiwharawhara ferry terminal in Wellington, including land reclamation, have been referred for fast-track consent by environment minister **David Parker**.

### Capital Markets

**NZX** completed its acquisition of \$1.8b in retirement savings funds from **ASB**, which will be added to Smartshares funds under management. **NZX** and the **European Energy Exchange** will each take one third ownership stakes in **Global Dairy Trade** alongside **Fonterra** under a new ownership structure.

**NZX** reported operating earnings up almost 4% – at \$34.4m – in the financial year ended Dec 31, as it raises capital for expansion projects..

**Infratil** again downgraded the top end of its earnings guidance, citing the ongoing impact of covid on its **Wellington Airport** holding and diagnostic imaging businesses. It now expects earnings between \$500m and \$520m for the year ending March 31. In Nov, it lowered guidance to between \$500m and \$530m from its earlier guidance of \$505m to \$550m

### Corporate actions

An **Institute of Directors** report said global and local influences, including increased community expectations, regulatory requirements and a need for greater transparency around culture and wider environmental performance were driving up the cost of directors and officers liability insurance.

### Courts, legal and regulation

The **Financial Markets Authority** filed proceedings against two individuals for alleged insider trading in relation to the sale of **Pushpay** shares in 2018. Both individuals have been granted interim name suppression and face civil proceedings, filed in the Auckland High Court. One faces a criminal charge, filed in the Auckland District Court.

Six people have been charged by the **Serious Fraud Office** in relation to alleged corrupt behaviour in the provision of road maintenance contracts in South Auckland.

### People news

**Commerce Commission** chair **Anna Rawlings** will be stepping down after her current term ends later this year.

**Fire and Emergency NZ** appointed **Kerry Gregory** as ceo, succeeding **Rhys Jones** who is coming to the end of his five-year term. 🇳🇿



## LEGISLATION

## Parliament opens for 2022

The Parliamentary year began with the PM's opening statement and procedural vote of confidence in the govt, which Labour (65 MPs) and Green (10) won over National (33) and ACT (10).

- *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

None.

## Bills in progress

### Firearms Prohibition Orders Legislation Bill -

*Introduced on Dec 14. The bill introduces firearms prohibition orders to address some limitations with the Arms Act that might enable a high-risk person to legally access or use firearms or restricted weapons, or associate with people in physical possession of firearms. First reading on Feb 9, supported by all parties, and referred to the justice committee.*

### Land Transport (Clean Vehicles) Amendment Bill -

*Introduced on Sept 8. The bill intends to reduce carbon dioxide emissions from imported light vehicles. It applies an emissions standard to imports of new and used light vehicles, a "feebate" system with subsidies for cleaner vehicles paid for through penalties on those with higher emissions and new vehicle labelling requirements. The policy has had widely publicised changes from those in the bill including a later starting date (aside from clean car subsidies) to April 2022 and more stringent regulation around emissions standards of imports. First reading on Sept 21 with National and ACT opposed. Reported back on Dec 22 with a large number of changes above those already signalled. These include amendments making part of the new regime regulatory. It also makes a number of changes to the regime allowing car importers to trade in CO2 credits. National and Act both filed dissenting reports arguing the changes would add costs while doing little to reduce emissions. They also argued the clean car standards were impractical. *Second reading completed on Feb 10 with National and Act opposed. Committee stage completed Feb 16. Third reading passed Feb 17.**

### Land Transport (Drug Driving) Amendment Bill

*- Introduced on July 30, 2020. The bill sets up a drug testing for drivers regime. It proposes drivers who fail two consecutive oral fluid tests would incur an infringement penalty, aligned to the drink driving infringement penalty. More serious criminal charges would apply to those showing major impairment and the presence of drugs in their system after a blood test. First reading Aug 8, supported by all parties and referred to the Transport and Infrastructure Committee. Reported back on June 17 2021*

*with a large number of changes, including amendments to satisfy the Attorney-General that the Bill breaches the Bill of Rights. The Greens and ACT put in a minority reports opposing the bill. Second reading on Aug 11 with all parties supporting except for the Maori Party. ACT and the Greens expressed reservations saying they would be seeking changes in the committee stage. *Committee stage completed on Feb 17 with no major changes.**

**Plain Language Bill** - A member's bill in the name of Rachel Boyack introduced on Sept 23. The bill requires reporting govt agencies use plain language and appoint plain language officers who are responsible for ensuring the agency's compliance with the Bill. *Completed first reading on Feb 16 and referred to the governance and administration committee with National and Act opposed.*

**Sunscreen (Product Safety Standard) Bill** - Member's bill in the name of Todd Muller drawn from the ballot on March 11. It requires the Minister of Commerce and Consumer Affairs to recommend the setting of mandatory regulation under section 29 of the Fair Trading Act prescribing a product safety standard for sunscreen products. First reading completed on April 7 with the support of all parties and referred to the Health Committee. Reported back on Oct 4 with changes including a long date to allow the sale of goods in stock which may not comply. *Second reading on Nov 10 supported by all parties. Committee stage completed on Feb 16.*

## Bills in progress

### Conversion Practices Prohibition Legislation Bill -

*Introduced Aug 3. The bill prohibits conversion practices that seek to change or suppress a person's sexual orientation, gender identity, or gender expression. First reading on Aug 5 opposed just by National who argued it criminalised parents. Referred to the Justice Committee. Reported back on Feb 2 with no substantive changes. *Second reading on Feb 8 with seven National MPs voting against. All other parties and MPs in favour. Committee stage completed on Feb 9. Third reading completed Feb 15 with 112 MPs in favour and 8 National MPs opposed.**

### Lawyers and Conveyancers (Employed Lawyers Providing Free Legal Services) Amendment Bill

*- Introduced on July 28, a member's bill in the name of Chris Bishop. The bill amends the Lawyers and Conveyancers Act to allow a lawyer who is an employee to do free legal work other than for the lawyer's employer on conditions set by the Law Society. First reading on March 24 and sent to the Justice Committee with the support of all parties. Report back extended from Sept 24 to Nov 16. Reported back on Dec 14 with majority opposed. The majority agreed there was a problem, but did not believe the bill would fix them. The Law Society was opposed to the bill passing in its current form. National MPs argued the bill should proceed with amendments. *Voted down at second reading with Labour and Act opposed.**

