

## One step forward, one step back

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Prime Minister Christopher Luxon looked to be having a positive fortnight after a surprise reshuffle demonstrated substance to his CEO brand. But the government was shaken by a gloomy poll, showing it several points behind the opposition and NZ First out of Parliament.

## Old hands promoted

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Luxon elevated two National stalwarts as part of a reshuffle to take troubling portfolios from struggling ministers. Second-term MP Simon Watts got a place in Cabinet, hinting at a bright future.

## Aged-care Budget bid a year away

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A Health NZ-commissioned report warns New Zealand will be 12,000 aged residential care beds short by 2032. Private providers are reducing the proportion of aged-care services they provide as the business becomes less lucrative. Potential fixes are scheduled to be unveiled later this year with the Minister, Casey Costello, suggesting a Budget bid was likely for 2025.

## In brief

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Chris Bishop said the government is open to watering-down the level of ministerial power in its fast-track regime, while Shane Jones stridently held to the view a high level of ministerial power is required. Winston Peters promised to clarify New Zealand's position on Aukus, but repeated what governments have been saying since the deal was announced.

## Rate hikes hit labour market

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Unemployment rose to 4.3% in the March quarter, ever so slightly higher than the RBNZ's forecast. The difference is not significant currently, but could be a harbinger of a more rapid weakening of the labour market in future, which could see the Bank bring forward rate cuts.

## Banks strong despite hit to profits

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The Reserve Bank published its latest Financial Stability Report, which found banks' capital positions remained strong despite profitability declining from recent elevated levels. The Bank warned insurance retreat presents a long-term challenge for the financial system.

## Annual reviews head to the debating chamber

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The 2022/23 Annual Reviews have returned from select committees. The Committee of the Whole House will now debate them. The government has introduced sweeping amendments to laws governing insurance, some of which are more than a century old.

## One step forward, one step back

Prime Minister Christopher Luxon went from high to low in the space of a few days.

He capped off one of his stronger weeks in the job last Friday with a surprise reshuffle of two underperforming ministers, Melissa Lee, who lost her Broadcasting portfolio and seat at the Cabinet table, and Penny Simmonds, who lost her Disability Issues portfolio.

The demotions were not unexpected, but the timing, so early in the term, was surprising and suggests Luxon has a healthy strain of performance-based ruthlessness. The reshuffle was a welcome change from the Ardern government, which tended to hold on to underperforming ministers longer than it should have.

The gloss had worn off by Tuesday of the next week, thanks to a startling 1 News-Verian Poll that showed the coalition behind. That poll had National on 36% (-2 pts), Labour on 30 (+2 pts), the Greens on 14% (+2 pt), Act on 7% (-1pt), NZ First on 4% (-2 pts), and Te Pāti Māori steady on 4%.

All the usual caveats to polling apply: This is a single poll representing a single point in time – one that is a long way away from an election.

Nevertheless, the poll contained plenty that should concern the government. The three coalition parties collectively lost five points – a plunge exacerbated by the fact that NZ First fell below the 5% threshold sending it out of Parliament, unless it can win an electorate seat. The party hasn't taken an electorate at a general election since 2002 (Winston Peters won the Northland by-election in 2015). Neither National, nor Act seem inclined to stand aside in Northland, offering Shane Jones a clear shot at the seat.

NZ First polling at 4% is the worst of all words for the coalition. It's not high enough to enter Parliament, but it is high enough to generate a large wasted right wing vote.

A bigger issue is that it appears a significant proportion of voters simply aren't buying the narrative the government has been carefully trying to sell since it took office: Labour left a mess, which the coalition is intent on cleaning up, despite the difficult choices it may entail.

It appears the public has cottoned on to the "mess" part, which is coming through in economic sentiment polling (the ANZ-Roy Morgan Consumer Confidence fell 4 points to 82.1% in April, close to lows seen during the GFC), but are not sold on the coalition's recipe for fixing it.

The coalition has handled the bad news well,

brushing it off as a single poll, years out from the next election, which mainly reflects the gloomy circumstances in which it was taken.

Some ministers are cognisant of the fact the government had front-loaded its more unpopular programmes like reversing Labour's smokefree law, and instituting \$1.5b of cuts to public spending.

The government knew this ran the risk of poor early polling. Ministers hope the tax cut "dividend" (which is how the Beehive describes the cuts) will prove to voters that the pain was worth it.

They may be unlucky. The famous Budget poll "bump" is a New Zealand political myth, occurring in less than a quarter of Budgets going back to 2008.

The Budget will include tax cuts, but it is also likely to feature hikes to some user levies, the odd cut, and pages of gloomy economic forecasts. The Budget might not provide the narrative reset the government is looking for. To the contrary, it might fuel Labour's argument that modest tax cuts aren't worth the cost.

What would really benefit the government is a sustained focus on more retail issues. Its first five months were dominated by esoteric battles over the likes of UNDRIP, the WHO, the Treaty, Māori language use, and smoking.

The government appears to be changing tack. Seymour and Peters are talking less about culture wars issues, while Luxon is zeroing in on more retail issues like health, education, and the economy.

The government began the week by writing a \$1.7b cheque to Pharmac extending pharmaceutical funding, and filled its planning grid with three education announcements (the week was informally dubbed an "education week" by some in the Beehive). It wrapped up with Luxon and Education Minister Erica Stanford rolling out a long-campaigned-on policy to mandate a structured literacy approach across all schools, sweetened with \$67m in funding from the forthcoming Budget.

The government isn't calling the renewed focus on health, education and the economy a "back to basics" approach, but it certainly looks like it. In the two months to June we will see a focus on health, with the first government Policy Statement on Health announced.

## Old hands promoted

Luxon's reshuffle sees Paul Goldsmith pick up the vexed Media portfolio. He is downplaying any big fixes for the country's struggling media sector, saying he has limited "levers" to pull.

He has two immediate challenges: first, to pick up the pieces of Lee's media Cabinet paper, which failed

to make it beyond Cabinet committee. This could include very limited financial assistance in the form of reduced Kordia transmission fees, some form of levying income from tech companies, regulation to require streamers to produce a certain amount of content in New Zealand, and tweaks to the Broadcasting Act to allow advertising on Sunday mornings.

His other challenge will be deciding whether the government will pick up the Fair Digital News Bargaining Bill, introduced by the former government, and now at select committee. The sector likes the bill, which forces tech giants to the negotiating table to ink deals with media companies for their content. These two challenges are likely to be linked. If the government opts to back the digital bargaining bill, it would take other big tech-focused solutions off the table.

National and Act were strongly opposed to the bill in opposition, but National has softened in government. The mandatory bargaining approach has had mixed success overseas. Meta, the owner of Facebook, has responded to similar schemes in Canada and Australia by blocking the sharing of news links or reducing news visibility on users feeds.

Goldsmith has worked his way back into the fold after a disappointing stint as the party's finance spokesman in 2019-2020. A member of Luxon's kitchen Cabinet, Goldsmith inherited Simon Bridges' role as the social conservative voice in Luxon's ear. His prominence is a conscious effort to balance out the dominance of social liberals near the top.

Louise Upston took the Disability Issues portfolio from Simmonds. This portfolio is a new one, created under the last government, along with Whaikaha, The Ministry for Disabled People, which was established in 2022 with a \$2.3b annual budget to commission services for 50,000 disabled people and their carers.

The government is very sensitive to disability issues and the perception its fiscal restraint would manifest in spending cuts.

Whaikaha is a troubled ministry, struggling to manage its appropriation, and operating across several disconnected systems as a result of being poorly established when it was split out of the Ministry of Health. Upston has commissioned a review of Whaikaha which will look at the purpose of each of its funding streams and people's eligibility for them. Ministers are quietly keen to slow the rapid increase in spending on disability services, noting that inflation-adjusted disability services spending has doubled since 2005.

One of Upston's first challenges will be dealing with a large disability and care worker pay equity

settlement, which some in the sector believe will cost \$1b.

Simmonds is diminished by losing the portfolio. She keeps the Environment and Tertiary Education portfolios, although the meatiest parts of Environment have been given to Chris Bishop under the new RMA reform portfolio.

Her big test now is to make a success of unwinding Labour's polytech merger.

The opposition has been putting pressure on both Lee and Simmonds in the house, hoping one might crack under scrutiny the way Claire Curran did in 2018.

Simon Watts goes into Cabinet. He is well-liked and well regarded, including by Luxon, who entered Parliament the same year as Watts. Seen as intelligent and competent and unlucky to miss out on a Cabinet spot back in December.

## Aged-care fix a year away

The government was delivered a stark warning on the future of aged-care, with a new Health NZ commissioned review warning the country will be 12,000 aged residential care beds short by 2032 if current trends persist.

Health NZ has a follow-up report on potential solutions due in June. Associate Health Minister with a delegation for aged-care, Casey Costello, says she is working towards a bid for any fixes to be included in the 2025 Budget.

The funding model is so broken that by one measure the country is actually losing beds.

Currently 32,000 elderly people are in aged residential care, most who live in rest homes or hospital level care. About 5500 are in dementia psychogeriatric units. 80,000 receive services through Health NZ-funded HCSS. (Home and Community Support Services).

Aged-care is the costly, resource-intensive cousin of residential retirement care, which remains fairly lucrative. It involves more expensive, intensive care for residents with more severe conditions. Currently, many private providers offer both.

Some facilities, often in the not-for-profit sector, offer mainly aged-care beds, while some of the larger retirement operators offer aged-care as part of a "continuum of care" model, attracting residents for residential retirement living, and basing aged-care services in the same facilities, giving residents the

## Another Green in trouble

Green MP Julie Anne Genter is working from home after inappropriately crossing the chamber and hectoring National MP Matt Doocey during an evening debate. The Greens now have two MPs in the dog house. Rookie Darleen Tana is still under investigation over allegations relating to migrant exploitation at her husband's business.

knowledge that the care is available when they need it.

The sector is being squeezed from all sides. Pay increases for Health NZ nurses and a recent Australian law change offering easy residency has lured the workforce to hospitals both here and across the ditch. Aged-care consultancy Ansell in February found 56% facilities made a net loss in the year to June 30 2023.

The country has relied on large retirement village operators like Ryman, Arvida, Oceania, and Bupa including aged-care as part of their offerings. This is now threatened as large providers reduce their exposure to aged-care at the same time as some not-for-profits and independents are shutting up shop.

Since 2014, Arvida has reduced the weight of aged-care in portfolio to 31% from 54%. Oceana lowered exposure to aged care from 65% to 50%.

Aged-care is understandably a big issue for NZ First, which courts older voters. It secured two concessions on the issue in its coalition agreement with National, including a select committee inquiry.

Costello is planning for a Budget 2025 bid. It would be logical for the select committee to begin its inquiry ahead of any funding fix. The horrific stories any such inquiry would turn out (“high-priority” cases on the West Coast can wait 211 days to get a bed) would help set the scene for a successful budget bid.

The Health NZ report, by consultancy Sapere, was blunt, warning “we do not have confidence that current policy settings will enable the delivery of appropriate levels of care for New Zealand’s older population in the medium term”.

Costello appears keen to change these settings to attract private providers back to the market.

“I’m trying to get away from ‘the government can fix this’. I believe the model is the government can create some certainty around funding, but it’s about how we support the community groups, the not-for-profits and the businesses to deliver the solutions,” she said last week.

## In brief

RMA Reform Minister Chris Bishop said the government would take “a good look” at whether ministers should have final decision-making powers under the new fast-track regime. The decision to give ministers the final say over consents has been the key criticism from those opposed to the legislation.

NZ First is keen on a great deal of ministerial control, with Shane Jones reiterating that view this week, while Act is not, and has kept its distance from the bill. The government has been taken by surprise by the level of well-organised opposition from environmental

groups. National may decide that ministerial decision-making powers are not worth the trouble.

Some potential fast track applicants wouldn’t mind a few changes. They fear the bill is getting a grubby reputation and fear being tarred by that brush.

Any weakening of ministers’ powers would leave the new regime looking similar to Labour’s covid-era fast track, which lives on inside the resurrected RMA. One significant change would be the “one stop shop” aspect of the new bill, which streamlines approvals needed for marine consents, approvals under the Crown Minerals, Heritage, Conservation, Reserves, Wildlife, and Fisheries Acts.

NZTA launched an app that allows drivers to pay for vehicle registration and buy road user charges. It also displays a car’s WOF, registration, and keeps RUC data. Transport Minister Simeon Brown says it paves the way for a digital drivers license.

The remuneration authority recommended MPs salaries increase by 2.8% backdated to last October, when the current Parliament was elected. That would take an ordinary MP’s salary to \$168,600.

That pay increase will be followed by another 2.9% bump from July, a further 2.4% next year, and then 2% in 2026.

The Prime Minister’s salary will increase by about \$50,000 over the period. Luxon has wisely taken a leaf from John Key’s book and opted to donate the increase to charity – a very clear indication he’s learnt from the accommodation allowance scandal.

Foreign Minister Winston Peters delivered what had been billed as a major foreign policy speech, clarifying New Zealand’s position on Aukus. Instead, it restated that any talk of New Zealand joining before the Aukus partners actually ask it to is premature, and until that time it makes sense to continue exploring the deal.

The subtext to the speech did not dispel the sense Peters is keen to sign-up, with Peters discussing potential benefits at length.

One benefit Peters has not mentioned much before, is the importance of Aukus pillar 2 to interoperability with Australia, our only formal ally.

He said New Zealand needs to understand what pillar 2 means “for New Zealand’s ability to communicate with our ally’s capabilities”.

Remarks made after the speech about former Australian Foreign Minister Bob Carr ended up with Peters being threatened with defamation action by Carr. If Carr follows through on legal action, it could be a dangerous and costly sideshow. ■

## Rate hikes hit labour market

The latest unemployment data shows the labour market easing slightly more quickly than the RBNZ's forecasts.

The official unemployment rate was 4.3% in the March 2024 quarter versus 4% in Dec and above the Reserve Bank's forecast of 4.2%.

While BNZ economists said the difference between the RBNZ's forecast and the actual result was "relatively insignificant", the deviation was a "sign of things to come" and would likely put pressure on the Bank to begin easing sooner than Q2 2025, as intimated in the February MPS.

The participation rate fell to 71.5% versus 71.9% in the prior quarter, and the underutilisation rate rose to 11.2% from 10.7%, the highest since March 2021.

While wages and earnings have continued to grow despite the weakening labour market, annual wage growth is starting to slow down.

The LCI increased 4.1% in the year to March, compared to 4.3% in the December quarter.

Average hourly earnings rose 5.2% to reach \$40.96 – an annual increase of \$2.03, and average weekly earnings increased 5.8% to \$1,593.

The Financial Services Council's Financial Resilience Index tracker indicated 70% of New Zealanders were worrying about money either daily, weekly, or monthly. Confidence in job security was at 85%, down from a high of 89% in 2023. Personal debt was up 6% on last year. Nearly 60% of renters find it somewhat or very difficult to cover their living expenses. About 20% of retirees have enough savings to maintain their current lifestyle for less than a year.

The average household's cost of living went up 6.2% in the year to March 31, Stats NZ said. The household living-costs price index for the March quarter was down slightly from the 7% hike recorded in the year to Dec 31. But it was still well above the inflation rate of 4% measured in the consumers price index for the year to March 31. Interest payments increased by 28% for the average household in the year to March 31.

Business-sector expenditure on research and development increased by 17% between 2022 and 2023 to \$3.7b, Stats NZ said. It was the largest annual increase since 2018. The main reason businesses did R&D was to tap into new markets. Services industries led the increase, where R&D expenditure grew \$331m, or 15%. These industries include computer services, wholesale trade, and scientific research.

The latest ANZ-Roy Morgan consumer confidence rating fell 4 points to 82.1 in April, close to lows seen during the global financial crisis, but still slightly above the more recent pandemic lows. Wellington led the monthly deterioration in confidence and is the most downbeat region overall, with the lowest inflation expectations and the second-lowest willingness to buy a major household item.

A 12% rise in exports enabled New Zealand to achieve a trading surplus for March of \$588m. Compared to March last year, imports were 24.8% lower (down \$1.9b) while exports were 3.8% higher (up \$240m).

A good portion of the drop in imports, compared to March 2023, came from a \$401m reduction (92%) in aircraft and parts. Petroleum and products fell \$394m (31%) to \$872m.

CoreLogic's House Price Index fell 0.1% in April, with the average New Zealand property value now \$933,633, up around 3% from September's trough, but still almost 11% less than the peak.

In Auckland, the average dwelling value dropped from \$1,297,595 in March to \$1,290,329 in April, down by \$7266.

The April ANZ Business Outlook said business confidence fell 8 points to +15 in April. Expected own activity fell 9 points to +14, and past own activity dropped 13 points to -20.

"Cost pressure was particularly persistent," said ANZ agri economist Susan Kilsby.

Reported past activity dropped sharply, with double-digit falls seen in every sector except construction.

Reported past wage increases fell from 4.4% to 4.0%. Expectations for wage settlements over the next 12 months also fell.

ANZ-Roy Morgan consumer confidence deteriorated in April. The deterioration was led by a pessimistic turn in the forward-looking components of the survey. ANZ-Roy Morgan Consumer Confidence fell 4 points to 82.1, close to lows seen during the global financial crisis, but still slightly above the lows seen during the pandemic.

Unsurprisingly, Wellington led the slump as the most downbeat region overall, likely a result of pessimism around public service cuts. Wellington registered the lowest inflation expectations and second-lowest willingness to buy a major household item.

Nationwide, inflation expectations eased from 4.5% to 4.4%, while expected house price inflation lifted from 3.4% to 3.5%. 🏠

**CORPORATE ROUND-UP****Primary Sector**

Under receivership seafood supplier **Cloudy Bay Clams** and its associated businesses have been listed for sale.

**Alliance Group** is going to its farmer-shareholders for more capital after it reported a \$70m loss in its most recent financial year. New chair **Mark Wynne** said an unspecified amount would be required for Alliance to remain a 100% farmer-owned co-op. Alliance has previously said it believed funding in an indicative range of \$100m and \$150m might be required over the next few years.

**Zespri** delayed the start of its European sales season by a week due to mouse activity in the fruit holds of its first charter vessel to Belgium.

**Synlait Milk** co-founder John Penno quit the company's board with George Adams taking over as chair from Paul McGilvary, who will return to being an independent director.

**Energy and resources**

**Transpower** said the new fast-track consenting regime needs tweaks to ensure the company can upgrade and maintain the national electricity grid. It also warned that the way the Fast-track Approvals Bill is drafted opens up decisions made under the legislation to extensive litigation.

**Channel Infrastructure** has secured a new seven-year contract with its customers for the upgrade of its Marsden Point infrastructure estimated to cost between \$12m and \$15m to allow for the storage and export of transmix.

**Genesis** reported that production at Kupe remained curtailed, with an ongoing drilling programme to lift gas extraction being delayed.

The **Commerce Commission** said areas that included at least one unstaffed fuel station within a five-minute drive, had prices that were on average six cents per litre lower than those without unstaffed stations.

Australian mining company **Tiga** has been granted consent to mine mineral sands north of Greymouth.

**Banking, finance and insurance**

In its **Financial Stability Report** the **Reserve Bank** said cautious lending standards over recent years was helping to contain the increase in default rates in agricultural and business lending. Deputy governor Christian Hawkesby said banks' capital positions remained strong despite profitability declining from recent elevated levels; however, scale and profitability challenges continued to weigh on the non-bank deposit taker sector.

The Reserve Bank said residential insurance remains generally available, but **insurance retreat** presents a long-term challenge for the financial system. It said premiums for residential dwelling insurance have increased significantly over the past decade, well above the general level of consumer price inflation.

The **NZ Banking Association** said retail banks were on track to implementing anti-scam "confirmation of payee" measures by year's end after confirming a preferred provider. The provider will not be named until contracts had been finalised.

The Reserve Bank disputed the Commerce Commission's analysis of its prudential capital settings for banks and its recommendation to review them. The Commission said banks' high capital requirements need to be reviewed again to improve banking competition.

**Heartland Bank** successfully completed its \$115.7m acquisition of **Challenger Bank**, making it the first NZ registered bank to acquire an Australian authorised deposit-taking institution.

**Telecommunications, media & entertainment**

**Sky TV** extended its content deal with the **BBC**, securing new programmes for its platforms.

**Google** and Australian telco **Vocus** have signed contracts to extend the Pacific Connect sub-sea cable to include a spur that will run into Auckland, enabling new 30 terabits per second submarine fibre links to Melbourne and Sydney in 2026.

**Peter Gluckman's Koi Tū: The Centre for Informed Futures** published a report on media sustainability. Authored by former NZ Herald editor **Gavin Ellis**, the report recommended a levy on digital giants to pay for news. New Media Minister Paul Goldsmith is weighing his options.

**Wholesale and retail**

**Mighty Ape's** gross profit grew 5% to A\$9.2m (NZ\$10.07m) compared with the March quarter last year, according to a trading update from Australian securities exchange (ASX) listed parent company Kogan.com. This growth came despite gross sales falling 9.2% to A\$30.4m. Mighty Ape also recorded a decline in active consumers to 710,000, down from 760,000 at the same time last year.

**Michael Hill** increased security in its stores across New Zealand after a spate of robberies.

**Restaurant Brands** reported a 7.9% increase in sales for the first quarter of the financial year 2024 at \$333m, up \$24.4m from the same period last year. Strong sales growth in New Zealand and Hawaii

offset the slowing sales growth in Australia and negative sales growth in California.

## Transport

**Air NZ** lowered its FY24 earnings before tax range to \$190m-230m, citing softer revenue conditions. Previous guidance had been \$200m-\$240m. Analysts now expect it to post an underlying loss in the second half as it moved to increase fare prices across New Zealand.

Auckland International Airport released details of its domestic terminal redesign. Airlines have taken aim at the \$3.9b budget of the project, which the airport aims to recoup from fees. The cost is made up of \$2.2b for the new terminal and \$1.7b in integration with the rest of the airport and contingency. Chief customer officer Scott Tasker said the project was on track for completion in 2028/29.

A survey shows the Infrastructure Sector is in a gloomy mood. The survey, by Infrastructure NZ, asked 400 people about their confidence and outlook in the sector. Asked to rate their confidence in the business environment over the next 12 months out of 10, respondents returned an average score of 5. This rose to 6 when they were asked about the next three years. Just over 38% of respondents said the mood among their staff or colleagues was negative, compared to 17.2% who said it was positive.

## Courts, legal and regulation

**Shelly Cullen** was found guilty in the North Shore district court of five charges under the Fair Trading Act related to a global cryptocurrency pyramid scheme called "Lion's Share".

Former Port of Auckland CEO **Tony Gibson** went on trial over a 2020 workplace death the first time a New Zealand CEO has been charged over a workplace fatality.

The Commerce Commission again pushed out a decision on **One NZ's application to acquire Dense Air** to May 10 with the agreement of the applicant.

Global ticket reseller **Viagogo** lost a six-year legal battle with the Commerce Commission after being found to have repeatedly misled customers over its status as an official outlet. The High Court ordered the company to correct the misleading information on its website and update its terms and conditions to make it clear grievances can be heard by New Zealand courts.

## Technology and IT

**TradeWindow** closed a \$2.2m capital-raising round, over-subscribed with a new institutional investor on the register and 1,000 new shareholders via the

Sharesies retail investor platform.

**Serko's** share price surged more than 20% on the back of finalising a deal renegotiation with Booking.com, setting new revenue-sharing terms for the next five years.

## Service industries and healthcare

**Bupa** nearly tripled profits after tax, almost \$12m in the year to Dec 2023, from a low base due to covid and below historical returns.

**Ryman Healthcare's** chief executive, **Richard Umbers**, resigned with immediate effect. **Dean Hamilton**, the company chair and director of Auckland International Airport, will take over as interim executive chair.

## Tourism

**Millennium & Copthorne Hotels** reached a conditional agreement with the Whangārei district council to buy land for \$2.24m to build a new hotel.

## Property

**Argosy** reported a full-year portfolio revaluation loss of \$111.7m for the 12 months to March 31 2024, a 5.4% decrease on the company's book value.

## Capital markets

The **NZ Markets Disciplinary Tribunal Members** said seven serious compliance breaches were referred last year, up from one case in 2022. Five of the seven matters involved breaches of the board and/or audit committee composition requirements, and the other two concerned "breaches of the annual reporting requirements".


## People

**Sanford** confirmed former Skellerup boss **David Mair** would be its new CEO.

**Kate Meldrum** was appointed as the chief operating officer for North America at **Tourism Holdings**.

The CEO of **Beef + Lamb NZ** and the **NZ Meat Board**, **Sam McIvor**, resigned to head **OSPRI**, an animal disease management and traceability service provider.

Former NZ Super Fund chair **Matt Whineray** was appointed as chair of **FirstCape Group**, which will bring together Jarden Wealth and JBWere NZ with Harbour Asset Management and BNZ Investment Services. Completion of the FirstCape Group transaction is expected in early May.

**Warner Bros Discovery's** New Zealand head **Glen Kyne** stepped down from his role weeks after the US group confirmed the closure of Newshub. 

## LEGISLATION

## Annual reviews head to the debating chamber

There was only one full sitting week in April due the Easter holiday break. This week MPs held a debate to acknowledge the death of Fa'anānā Efeso Collins. The ten hour debate on the 2022/23 annual reviews began.

- *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

### **Consumer Guarantees (Right to Repair) Amendment Bill**

*Member's bill drawn from the ballot on April 11 in the name of Marama Davidson. Would require manufacturers to make repair parts and information available to consumers in order to extend the lifetime of products with the intent of keeping resources in circulation and waste out of landfills.*

**Contracts of Insurance Bill** - *Introduced on April 30. Attempts to reform and improve insurance contract law currently fragmented across 6 different Acts, some over 100 years old. A series of reviews, including by the Law Commission, have identified a number of long-standing issues with insurance contract law. In particular, there are changes to consumer disclosure rules and insurer's remedies for breach. The bill also amends the Financial Markets Conduct Act 2013 to require insurance contracts to be worded and presented in a clear, concise, and effective manner.*

**Regulatory Systems (Social Security) Amendment Bill** - *Introduced on April 30. A 'tidy-up' bill containing non-contentious amendments intended to improve the provision of social welfare benefits, and the functioning of the social security system. This bill also repeals the Family Benefits (Home Ownership) Act 1964.*

**Repeal of Good Friday and Easter Sunday as Restricted Trading Days (Shop Trading and Sale of Alcohol) Amendment Bill** - *Member's bill in the name of Cameron Luxton drawn from the ballot on April 11. Would remove the restrictions on shops trading and the sale of alcohol on Good Friday and Easter Sunday.*

## Bills in progress

**Māori Fisheries Amendment Bill** - *Introduced on Dec 20 2022. Makes changes to the Māori Fisheries Act to give effect to recommendations of Te Ohu Kai Moana's review of settlement entities. Second reading completed with all parties in favour on April 30 2024*

*with the govt saying it would proceed with the bill, but changes would be made in the committee stage.*

### **New Zealand Superannuation and Retirement Income (Controlling Interests) Amendment Bill**

*Introduced on Feb 23 2023. Allows the NZ Superannuation Fund to take a controlling interest in an entity. First reading on March 9 and sent to the finance and expenditure committee. Opposed by Act. Reported back on Aug 23 2023 with no amendment. Second reading on May 1 with all parties in favour.*

**Residential Property Managers Bill** - *Member's bill in the name of Barbara Edmonds drawn from the ballot on Aug 18 2023. Establishes a regulatory regime for residential property management services, establishing minimum entry requirements for residential property managers, ensuring they meet professional standards of practice, and establishing a complaints and disciplinary process. First reading on Aug 29 and sent to the Social Services and Community Committee with Act opposed. The government announced in May 2024 that it would not allow the bill to proceed and told the select committee to end consideration.*

### **Restoring Citizenship Removed By Citizenship (Western Samoa) Act 1982 Bill**


*Introduced on Aug 3 2023. Member's bill in the name of Teanau Tuiono. Seeks to provide entitlement to NZ citizenship for a group of people born in Western Samoa whose citizenship was removed through the enactment of the Citizenship (Western Samoa) Act 1982. First reading completed on April 10 with only National opposed. Referred to the governance and administration committee.*

## Bills passed/defeated

### **Misuse of Drugs (Pseudoephedrine) Amendment Bill**

*Introduced under Urgency on Feb 20. The bill 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. First reading on Feb 20 with Te Pāti Māori opposed and referred to the health committee for consideration. 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. Third reading on April 9 with no opposition.*

### **New Zealand Bill of Rights (Right to Sustainable Environment) Amendment Bill**

*Member's bill in the name of James Shaw drawn from the ballot on Dec 19 2023. Proposes to make the right to a sustainable environment a right under the NZ Bill of Rights Act. First reading on April 10 and voted down by National, Act and NZ First. *

