HUGOvision

Assessing the economic and political environment in New Zealand

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Talking past each other

The government is anxiously waiting for signs of a turnaround in the economy and with it, a turnaround in political sentiment. The July Taxpayers' Union-Curia poll showed a net 5% of voters think the country in on the "right track". That's much higher than it was (under Labour it was -42%), but not as high as it should be. "Cost of living" and the "economy" remain the top two issues for voters.

A suite of senior ministers, including Shane Jones, David Seymour, and even Prime Minister Christopher Luxon himself have skated close to the red line dividing monetary and fiscal policy saying they've done all they can do to create the conditions for a rate cut soon.

Business confidence has remained low, with ANZ's business confidence metric falling 5 points to +6 in June.

There is anecdotal evidence firms are cutting back on R&D spend, which had been one of the brighter stories of the New Zealand economy in the last half decade. An R&D tax credit introduced by Labour, coupled with tighter migration settings saw private sector R&D spending rise from $2.1b in 2018 to $3.6b in 2023, employing 21,000 people, up from about 14,000. Despite the growth, R&D spend is still relatively low, at about half the OECD average.

By another measure, R&D spend appears to be slowing. Private investment into PME & intangibles has been broadly trending lower since 2022. It's not a huge decline, but investment for this combined group, on a GDP basis, is down 3.6% at the start of 2024 compared to the start of 2022.

Research faces a double-whammy from cutbacks in the public and private sector, as uncertainty hangs over the government-owned and (partly) funded Crown Research Institutes pending a review by former Chief Science Advisor Peter Gluckman.

The incoming government axed Labour's $400m "science city" proposal and the Key-English era National Science Challenges came to an end earlier this year leaving a massive gap in public funding for science and development. The interim review was due back at the end of last month. The final review and recommendations are due later this year.

Some ministers sense a disconnect between themselves and business. There is still a sense among ministers that government and business are talking past each other and that business is yet to fully grasp that a non-interventionist centre-right regime is in town.

Ministers complain that peak bodies are still using words like "partnership" and knock on Beehive doors asking to work "cooperatively" on joint sector strategies. The new government is not so keen on "partnership". It wants to unleash business' animal spirits. Ministers are more keen to hear about areas where the government can get out of the way than about areas where it might "partner up". In the new Ministry for Regulation, the government has a mechanism for quickly acting on suggestions for regulatory relief.

One of the first tests of this approach will be the outcome of the first Ministry of Regulation regulatory review which is directed at the Early Childhood Education (ECE) sector.

Its Minister, Seymour, has extended consultation for an extra fortnight and hopes to have a bill ready by October that will ease regulatory pressure and lead to more affordable ECE. The three opposition parties have taken the rare step of running a joint campaign against the review, arguing that deregulation will lead to worse outcomes for children in ECE. Whether the government can hold its nerve in the face of the campaign will be a test of its approach.

Government dilutes ETS focus

Fixing the Emissions Trading Scheme and planting more trees form the backbone to the government's first Emissions Reduction Plan (ERP), which went out for consultation this month. The final document is due to be published later this year.

National and Act had promised to lean heavily on the ETS to drive emissions reduction and seemed to be heading in this direction (the Prime Minister's chief policy advisor, Matt Burgess, published a paper backing the ETS-led approach before joining Luxon's team).

ERPs were created by the Zero Carbon Act and are intended to be the government's main tool to chart a course to net zero. Each ERP matches up to one of the five-year emissions budgets. The current plan will start next year and is meant to help the government meet its second emissions budget, which runs from 2026 to 2030, and is set at 303 Mt CO2-e for that period, or about 61 Mt CO2-2e a year. Net annual emissions are meant to be about 71 Mt CO2-2e now.

Climate Change Minister Simon Watts promised - and delivered - a dramatic change in approach, pivoting away from Labour and the Greens' granular sector-by-sector strategy using policies like EV subsidies and deals with industrial emitters to decarbonise, towards broader, economy-wide solutions.

This has led to a change in the sectors that will do the heavy lifting from transport under Labour to forestry and waste under National.

First on the agenda is fixing the ETS, with NZUs trading at about $52, well below their 2022 peak which was above $80. Quarterly ETS auctions have not cleared since 2022, a sign of a lack of investor confidence. The government promised to fix this by strengthening governance settings and cancelling an ETS review begun by Labour, but so far confidence has failed to return, with the ETS price remaining low and auctions continuing to fail. The government has not sidelined the ETS, but it is not moving at pace to fix it like its pre-election noises suggested. It fears high prices being passed on to consumers.

The government is also keen to lean on forestry to drive down net-emissions. Assuming planting from 2027, the government thinks there could be plantings of indigenous trees of 5000ha in 2027 and 7500ha from 2028 and exotic planting of 10,000ha from 2027.

An economic analysis by the Ministry for the Environment (MfE) estimated the plan would reduce GDP by 0.4% by 2050 compared to taking no action. MfE also published revised emissions forecasts, which showed the government barely hitting its first and second emissions budget and missing its third, 2031-2035. The last set of forecasts, published in 2023, showed this target being met.

Part of this change is not the government's fault, with a large part the revision put down technical changes to modelling and positive things like the Tiwai Point smelter remaining open. However, a third of the revision was due to the new government axing some of Labour's big ticket climate policies like EV subsidies. The absence of the GIDI fund, which inked hundreds of millions of dollars worth of deals for industrial emitters to decarbonise, often at very low (and therefore cost-effective) abatement rates.

The government has some options for a GIDI replacement. One option is to look at ways to help industrial emitters capitalise the free allocation credits they receive under the ETS for investment in decarbonisation technology (free allocation credits are "free" credits given to trade exposed polluters to ensure the are not disadvantaged internationally). The plan promised to continue a review of how these free credits were allocated, which could put some industrial emitters under pressure.

A more costly problem is the Ministry forecasting New Zealand will sail well over its 2030 Nationally Determined Contribution (the climate target set under the Paris Agreement which is a 50% reduction of net emissions below gross 2005 level by the year 2030) to the tune of 101 Mt CO2-e and that 93 Mt CO2-e of additional abatement will be required.

This means buying a vast amounts of sequestration offshore, inking deals with other countries to effectively claim their emissions reductions. A 2021 Treasury estimate put the cost of this at between $3.3b and $23.7b. New Zealand was never expected to hit the NDC without a large amount of offshore mitigation, however the government is concerned about the quantum, particularly given international carbon markets are still relatively undeveloped. The government is quietly frustrated at the previous administration for signing New Zealand up to a target it had no hope of meeting without sending significant sums of money offshore, but they are powerless to do anything about it.

Sorry is the easiest word

Parliament united this week to apologise for the abuse the occurred in state care following the tabling of the most expensive and complicated Royal Commission of Inquiry ever undertaken in New Zealand.

The Royal Commission into abuse in State and Faith-Based care was begun by Labour in 2018 and finally wrapped up some six years later. Its 3000 pages find more than 200,000 people were abused in these institutions, describing some of the abuse as "torture".

Prime Minister Christopher Luxon is widely seen to have handled the immediate response well and with empathy.

Among its 138 recommendations, the inquiry proposed that avenues be opened up allowing for compensation claims to be made in the courts, outside the ACC system. The report cites the example of Australia where it was made easier for people to take civil legal action over their abuse.

An Australian redress scheme paid out more than NZ$1.5b within six years of being established.

Luxon said that money was not a barrier to the government to setting right the wrongs of the past. He has delegated Erica Stanford to oversee the response to the inquiry. She has said the priority is the sorting out a redress system for survivors alongside a formal apology which will be delivered later this year.

Holiday highway

Transport Minister Simeon Brown said the government had agreed in principle to build a four-lane expressway between Auckland and Whangārei in three phases: Warkworth to Te Hana (just north of Wellsford), an alternative to the Brynderwyn Hills route to Port Marsden, and Port Marsden to Whangārei. The work could be a public-private partnership.

Health NZ back in the red

The government sacked the board of Health NZ and appointed Professor Lester Levy as commissioner (there were only two members left on the board following a wave of resignations).

Levy is a favourite of beleaguered Health Ministers of all colours. He chaired the three Auckland DHBs and turned around their deficits and was appointed Crown Monitor of the Canterbury DHB under Labour.

Health Minister Shane Reti said the move to commissioners, the most direct form of ministerial intervention, was necessary after Health NZ went from forecasting operating surpluses to forecasting a $1.4b deficit. He accused the former government of creating an unaccountable behemoth in Health NZ that placed some 14 layers of management between the chief executive and patients.

Reti cited the Auditor-General's criticism of Health NZ's reporting, which noted no internal performance monitoring framework. Levy accused the organisation of being "totally bloated", and has promised to rein in its spending while reducing wait times.

Labour has laid the blame at the government for not increasing funding at the Budget, noting Health NZ told a committee earlier this year that its previous funding track was based on population and inflation forecasts that were now out of date. The over 65s consume about 45% of all health resources and there are about 10,000 more of them this year than was forecast at last September's Prefu. Net migration was also far higher than forecast, leading to more people of all ages using the system.

Chief executive Margie Apa said part of the spend was due to a nursing recruitment drive that had been more successful than expected, which is obviously a good problem to have, if an expensive one

Apa's future seems uncertain with Reti nor Levy coy about expressing full confidence in her. Apa's job is not the only one on the line. The stakes are high for Reti too. Other members of the government have noticed the health portfolio is increasingly being run out of the ninth floor, with the prime minister and his staff taking an increasingly active role.

The government is trying to instil fiscal discipline and improve its fiscal discipline by holding to its spending track, regardless of unexpected demographic shocks. In health this is already a challenge. Things could get even more difficult if the country continues to experience elevated net migration. The Budget was put together on the assumption of net migration running at 56,000 this year, followed by 44,000 in 2025 and 41,000 in 2026. If this year's elevated migration is sustained, the real figure could be double, or even three times that, putting immense pressure on services and therefore the government.

Health NZ follows Kāinga Ora, Pharmac, and KiwiRail in having its board refreshed. NZ Post might be next.

In brief

State-Owned Enterprises Minister Paul Goldsmith said there would be no SOE sales without an explicit mandate from the electorate. This was an evolution of the government's existing position which is that under Luxon's leadership there would be no SOE sales. It appears to echo a strategy of the Key government which was to greenlight sales in the second term, having ruled them out in the first.

The government has begun drawing up "purpose statements" for each SOE which are meant to focus ministers' minds on what policy purpose owning each SOE serves. Goldsmith conceded that owning some SOEs like TVNZ and KiwiRail could serve a policy purpose, owning others might not. Treasury advised the government should not own SOEs simply for the purpose of generating revenue. Goldsmith conceded in some cases there might be an argument for selling them.

The government is getting advice on rolling all the SOEs into a single holding company along the lines of Singapore's Temasek. This company would be allowed to actively manage the SOE portfolio, selling down stakes in the existing SOEs.

The government has made noises about potentially selling down its 100% stake in Kiwi Group holdings the owner of Kiwi Bank, allowing Kiwi Bank to tap private capital markets for growth.

A proposal to extend the Parliamentary term to four years will shortly go to Cabinet. It is based on an Act policy that would extend the Parliamentary term to four years in exchange for a amending Parliament's standing orders to change the way select committee membership is calculated, shifting the balance (and therefore control) of select committees to the opposition, much like Question Time.

Supporters of the idea argue it would foster a more bipartisan approach to select committee scrutiny, a bit like what occurs in Australia's senate, with the government incentivised to back away from ramming legislation through committees, and the opposition incentivised to put up constructive proposals, rather than point scoring. Detractors argue it will render the select committee process redundant, with the government simply turfing out a committee's recommendations when the bill returns to the House.

Act's original proposal was to put the change to a referendum, where it would likely fail.

New Zealand computers were among the 8.5 million that disabled worldwide after a corrupted software update from security firm CrowdStrike. The incident was a taste of how disruptive a malign cyber attack might be.

Emergency Management Minister Mark Mitchell was stood up to respond. He said the government was reforming the emergency management system and that this event would provide "lessons learned" for how the Emergency Management system can respond to future cyber emergencies.

Gloomy CPI shifts forecast cuts

The Consumers Price Index rose 3.3% in the 12 months to the June quarter. This follows a 4% increase in the 12 months to the March quarter. The June result was below the 3.6% the Reserve Bank had forecast.

Several economists said they now expected earlier rate cuts after the inflation data, with dates suggested as soon as August this year and others in October or even further out.

ANZ chief economist Sharon Zollner said the bank had shifted its forecast for the first 25bp cut to November.

"We see the balance of risks around that as tilted towards earlier (October) rather than later," she said

Zollner said Q2 CPI data "should alleviate the RBNZ's concerns expressed in May about upside domestic inflation risks."

Westpac Bank also now forecasts the RBNZ will cut in November versus its prior view of February 2025.

The NZ dollar continued to show weakness with a sustained break below 60 US cents. BNZ Bank senior strategist Jason Wong said "The technical picture looks weak and, while there looks to be some support around 60.00, the April lows just below 59.00 are also on the radar – the combination of weaker risk appetite and the RBNZ's recent dovish pivot provide significant headwinds".

Banks dropped their fixed home lending terms. ASB said its move made it the first major bank to have all its fixed mortgage rates at under 7%, since June last year. The six-month rate dropped from 7.14% to 6.99%, while the one-year fixed rate dropped from 7.14% to 6.85%. ASB said the decision was prompted by falling wholesale rates.

A report from global infrastructure firm GHD said 17% of NZers surveyed spent more than half of their income on rents or mortgages, compared to 11% spent by other countries.

CoreLogic's market report for June said house sales are down 22.1% on last year while stock is up 20%. House prices rose 1.8% in the 12 months to June. In the three months to June, Dunedin (1.5%) and Hamilton (0.8%) were the strongest performing main centres, Auckland's prices fell 2.6%.

Chief property economist Kelvin Davidson said falling interest rates would lift prices, but warned DTIs would slow price rises.

"Ordinarily, when mortgage rates fall, you anticipate a boost in the housing market and we may well see that again. But this time debt to income ratios are different and they will actually start to become more binding as mortgage rates fall and limit how much debt people can get in, therefore limiting house price growth," Davidson said.

"I think really a 12- or 18-month horizon does look a bit softer for the housing market than perhaps we might have expected in the past," he said.

REINZ data said the number of properties sold fell 32.6% in June compared to May 2024, from 6,461 to 4,356.

Trade Me's latest Rental Price Index said the national median dropped $5 month-on-month to $645 a week.

Whole milk powder prices – the biggest influence on Fonterra's milk price – fell a further 1.6% to US$3,142 (NZ$6,344) a metric tonne at the latest Global Dairy Trade auction. After a 6.9% drop across the board at the last auction, expectations had been for another fall. However, the GDT price index rose 0.4% to an average price of US$3,837 (NZ$6,344) a metric tonne.

The BNZ – BusinessNZ Performance of Services Index for June was 40.2, down 2.4 points from May. A PSI reading above 50.0 indicates that the service sector is generally expanding; below 50.0 indicates a decline. BNZ's senior economist, Doug Steel, said the index has been below average for over a year and the weakness appeared to be accelerating.

Trade Me said job applications through its site hit a record high between April and June with one recruiter saying beneficiaries were being encouraged to apply for any job and this may be adding to the numbers. Applications increased 61.6% in April to June compared to the same time last year, and job listings were down 39.7%.

Stats NZ said seasonally adjusted greenhouse gas emissions for industries and households fell 2.7% in the March 2024 quarter, the largest quarterly decrease since March 2010, excluding pandemic years. The decrease, equivalent to 541 kt, was mainly due to lower agriculture, forestry and fishing emissions. This sector's emissions fell by 154 kt or 1.4% in the quarter. The largest increase in emissions in the March quarter came from the electricity, gas, water and waste services industry, up 126kt or 7.7%.

NZ recorded a $669m trade surplus in June. Stats NZ said goods exports fell by $7.4m or 0.1% to $6.2b and goods imports fell to $5.5b, down $821m or 13% compared to June 2023. Year-on-year, milk powder, butter, and cheese exports fell $172m or 10% to $1.5b.

Fruit exports were up 18% to $610m. Imports of vehicles, parts, and accessories fell $252m or 25% to $773m. Passenger car imports were down $140m or 22% compared to June last year. Imports of petroleum and related imports fell $441m or 55% to $367m.

CORPORATE ROUND-UP

Primary Sector

Fonterra is proposing cutting jobs at its Waikato headquarters as part of proposed changes to finance operations, including outsourcing work to India and the Philippines.

Scales Corporation agreed to sell two apple orchards of 186 hectares to a fund managed by Craigmore Sustainables for $34m. The sale of the Te Papa and Blyth Orchards, owned by subsidiary Mr Apple NZ, is subject to approval by the Overseas Investment Office.

A group of Australian institutional investors, **Australia Wine Holdco**, backed by Bain Capital, ICG, Capital Four, Sona Asset Management, and Samuel Terry Asset Management, bought Pernod Ricard's Australian, NZ and Spanish wine businesses. They took over Accolade Wines earlier this year.

Dairy Farms NZ is selling up after investors indicated they wanted their investment returned. The group, 49% owned by EGI-NZ Dairy and 52 other shareholders with minority stakes, owns seven farms across the South Island and had a peak milk herd of just over 6,100.

Spring Sheep Milk Co was given authority by Chinese market regulators to sell its Chinese-label infant milk formula in retail channels in that country.

Synlait Milk withdrew its guidance for the current financial year, saying it has been affected by unforeseen year-end timing differences. It previously said that its earnings (ebitda) would be at the lower end of the $45m to $60m range.

Livestock Improvement Corporation reported a 71.7% decline in net profit after tax for the year ended May 31 2024 of $7.7m, down from $27.4m in the previous year. It had a 3.3% decrease in revenue, to $267.3m. LIC also had a 41.6% drop in underlying earnings at $13.9m. However, shareholders will still receive a dividend of $8.3m, equivalent to 5.84 cents per share in addition to the $18.5m special dividend paid earlier this year.

MyFarm is looking to raise $10m for its new kiwifruit orchard fund.

Energy and resources

Meridian called on the **Tiwai Point aluminium smelter** to reduce electricity use due to historically low hydro lake levels. The smelter said it would reduce its usage by 185MW megawatts about one third of operations, until April next year.

Harapaki, NZ's second-largest wind farm, became fully operational, Meridian said.

Pressures from gas demand outstripping supply became clearer. A government contract to supply schools, hospitals, prisons and other public entities due for renewal received no interest. As a result officials are negotiating to secure supply. The uncertain gas supply outlook led Forsyth Barr to downgrade its rating on **Genesis**. The shift was due to increasing uncertainty with the implication of higher gas costs with no solution in sight. Spot gas prices are at record levels and have traded above $38 gigajoules, about 400% more than a year ago.

There were also reports that **Pan Pac** could not secure a long-term supply deal and its gas bill had increased from $3m to $9m with no long term certainty of supply or price. It was also reported that **Methanex** and **Nova Energy** were in arbitration after Nova cut its supply at short notice due to the gas being needed elsewhere. The High Court declined Methanex's application for interim relief and the return of its supply. Methanex is currently only running one of its production lines.

Electric Kiwi said it could no longer take on new customers because extremely high wholesale electricity prices made it unprofitable. It blamed the market power held by the major gentailers.

Banking, finance and insurance

The Commerce Commission is consulting on proposals that it says could reduce credit card and PayWave surcharges to the equivalent of 0.7% or less.

Investment Services Group hired adviser Murray & Co to run a strategic review with all options on the table. ISG is the parent company for Devon Funds Management, JMI Wealth, Select Wealth Management, Clarity Funds and Tahito with $6.5b under management.

Simplicity KiwiSaver scheme announced $10m of investment into the Icehouse Ventures' Growth Fund II.

Telecommunications, media & entertainment

One New Zealand is asking staff to consider taking voluntary redundancy.

A Commerce Commission revenue cap imposed on **Chorus** will set its maximum allowable revenue at $3.3b from the start of next year to the end of 2028. The regulator said the changes could save consumers more than $250m over the four years.

SkyCity Entertainment Group is to shut down gambling at its Auckland casino for five days to settle a suspension application filed by regulators after an investigation said the company breached harm-minimisation obligations. The agreement is conditional on Internal Affairs' gambling commission consenting to the withdrawal of the department's original application. The impact of the closure will be around $5m.

Wholesale and retail

The Warehouse Group had an indicative non-binding bid from Adamantem Capital to buy its shares for up to $1.70, supported by founder and major shareholder Stephen Tindall. The company said Tindall and his interests would have an up to 50% shareholding in the business under the scheme by reinvesting in the Warehouse acquirer. The Warehouse board advised shareholders not to sell pending further advice from directors.

Michael Hill International expects to report a sharp drop in full-year earnings due to challenging retail conditions. In a trading update for the 12 months to June 30, the dual-listed jeweller forecast comparable earnings (ebit) of between A$14m (NZ$15.6m) and A$16m. The middle of that range would represent a 75% drop compared with the A$59.4m ebit the company declared in 2023.

Transport

Auckland International Airport said it could consider price changes after draft conclusions released by the Commerce Commission. A review of AIA's pricing decisions from July 1, 2022, to June 30, 2027, found its revenue and targeted returns were more than what the commission considered reasonable.

Manufacturing and construction

Fletcher Building paused the rollout of a cloud-based software system. In its half-year accounts for the six months to Dec 31, Fletcher said it had spent $24m on the system, more than the $23m spent on its Laminex wood panels plant in Taupo, and the $8m spent on a Placemakers frame and truss plant.

Courts, legal and regulation

Mark Dunajtschik settled a dispute with his former solicitor, Mike Garnham, who he alleged owed him over $6m. The settlement came mid-trial.

The Commerce Commission released a statement of unresolved issues in the proposed merger of **Foodstuffs North Island** and **Foodstuffs South Island**. The commission has extended the timeline for its decision on the proposed merger several times, mostly recently in June when it extended the deadline to Oct 1. It hasn't ruled out extending that date further.

Technology and IT

AoFrio reported a 41% increase in revenue for the second quarter of 2024, to $21.8m, up from $15.5m in the same period last year.

The Commerce Commission blocked the sale of **Serato** to Japanese DJ product company AlphaTheta saying it would result in a substantial lessening of competition for DJ software, price rises to consumers and/or a lower quality software offering. The proposed sale was worth US$65m (NZ$106.8m). The companies said they would no longer pursue the deal.

Service industries and healthcare

Ventia secured a $564m contract for firefighting services with the Australian defence department. The 6-year deal includes options for extension beyond 2030.

Property

Du Val changed the names of 15 of its companies, removing the 'Du Val' tag or initials from all of them. Du Val Sales has become Orange Pineapple, Du Val Developments is now Amble Valley, and Du Val Acquisitions is called Woodle.

Auckland property group Black Robin entity **McKenzies Shute** went into receivership. It was set up to develop three alpine villas at Jack's Point near Queenstown. This follows the receivership in April of Black Robin entity 3370GNR, which owned 89% of Mckenzies Shute.

The abandoned **Reading Cinema** site in the centre of Wellington is for sale. The 1.5 hectares of freehold land was listed by JLL. The cinema complex was shut in 2019 due to its earthquake risk. A $32m deal for Wellington City Council to buy the land under the property and lease it back to the company was axed in April.

Corporate actions

Retirement village and aged-care provider **Arvida** entered an agreement to be bought out by US private equity firm Stonepeak at a share price of $1.70 – a 65% premium to its share price at the time. The all-cash transaction is valued at approximately US$1.25b (NZ$2b), including the assumption of debt. The offer is subject to shareholder and regulatory approval.

Managing director and chief executive of Australian aluminium manufacturer Capral, **Tony Dragicevich**, will join the **Fletcher Building** board on Aug 1. It comes as the company still seeks to appoint a permanent chair.

Capital markets

Australian mining company **Santana Minerals** became the second new listing on the NZX since 2023 with ticker SM.

A spike in trading of **Warehouse Group** shares before Monday's buyout offer announcement sparked a complaint to NZX regulator NZ RegCo. It said it would refer the trading to the Financial Markets Authority if it identified anomalous or indications of potential inside trading.

LEGISLATION

Agriculture gets its wish

Parliament sat for one week under Urgency in late June before a three week adjournment. The House resumed this week and completed the second reading of the Appropriation (2024/25 Estimates) Bill, otherwise known as the Budget debate.

- *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 in progress

Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill - Introduced on June 20. Amends the Climate Change Response Act to remove agriculture activities from the emissions trading scheme. *First reading on June 25 under Urgency and sent to the Primary Production Committee with the support of National, Act and NZ First.*

Customer and Product Data Bill - Introduced on May 16. Introduces a "consumer data right". The intention is to give customers (including both individuals and entities) in designated sectors greater control over how their customer data is accessed and used, promote innovation and facilitate competition, and facilitate secure, standardised, and efficient data services. It aims to achieve this by requiring businesses that hold designated customer data (data holders) to provide that data to the customer and, with the customer's authorisation, to accredited third parties. *First reading on June 23 with all parties in favour and sent to the economic development, science and innovation committee.*

Education and Training Amendment Bill – Introduced on June 24. Repeals the early childhood education network approval provisions, provides for a new type of school (charter school/kura hourua), and enables the Secretary for Education to make rules about attendance data. *First reading completed under Urgency on June 25 with the support of National, Act and NZ First. Sent to the Education and Workforce Committee to be reported back by Sept 5.*

Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill - Introduced on May 20. Reinstates polls on Māori wards and Māori constituencies, requires councils to hold a binding poll at the 2025 local elections, and adjust the statutory time frames for local elections. First reading on May 23 with National, Act and NZ First in favour. *Reported back June 21 with several amendments and minority reports expressing strong opposition to the bill and the process. Second reading July 23 with National, Act and NZ First in favour.*

Local Government (Water Services Preliminary Arrangements) Bill - Introduced on May 30 under Urgency. Lays the foundation for a new framework of water services management, including a new water services delivery arrangement for Auckland. Councils will be able to use the provisions to start planning future water services delivery and undertake steps to establish, join, or amend council-controlled organisations. It requires councils to submit water services delivery plans within 12 months of the bill's enactment. These plans can be done jointly between councils. It also requires councils to provide information for economic regulation. A further bill is planned. First reading under Urgency and sent to the Finance and Expenditure Committee with the support of National, Act and NZ First to be reported back by July 18. *Reported back with minor amendments and opinions divided along party lines.*

Overseas Investment (Build-to-rent and Similar Rental Developments) Amendment Bill - Introduced on June 11. Provides a new streamlined test that allows overseas investors to buy existing large rental developments, providing they meet the requirements of the investor test. This test enables other types of large rental developments that are functionally the same as BTR but may be considered different housing types, such as worker accommodation. Consent will be conditional on investors continuing to make available for lease at least 20 of the dwellings; otherwise, they must divest their interest in the asset. *First reading on June 25 under Urgency and sent to the finance and expenditure committee with the Greens voting against. Report back due by Nov 1.*

Regulatory Systems (Economic Development) Amendment Bill - Introduced on May 23. Makes a raft of minor amendments to numerous regulatory regimes. *First reading on June 24 with all parties in favour and sent to the education and workforce committee.*

Regulatory Systems (Immigration and Workforce) Amendment Bill - Introduced on May 23. Makes a raft of minor amendments to numerous regulatory regimes. *First reading on June 24 with all parties in favour and sent to the education and workforce committee.*

Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill - Introduced under Urgency on May 30. Extends the current duration of all coastal permits currently issued under the Resource Management Act authorising aquaculture activities by 20 years, but not beyond 2050. First reading completed on May 30 with National, Act and NZ First in favour. Sent to the Primary Production Committee. *Reported back on July 18 with several amendments and minority reports opposing from Labour and the Greens.*

Sentencing (Reinstating Three Strikes) Amendment Bill - *Introduced on June 25. Largely reinstates the legislative regime for sentencing repeat serious offenders known as the three-strikes law. First reading on June 25 with National, Act and NZ First in support. Sent to the justice committee to be reported back by Nov 1.*