

New Zealand a technology laggard – Productivity Commission

The Productivity Commission's draft report on *Technological change and the future of work* finds we are slow to adopt new technology and this is part of the explanation for our poor productivity growth.

A further three reports – covering employment, education and skills, and future preparedness – will be released over the next three months.

Submissions across all four will close on 20 January 2020. Final recommendations are due with the Government by 31 March.

[Chapman Tripp commentary](#)

Oceanagold succeeds at second attempt, Sage sidelined

OceanaGold's application to buy land in Waihi to extend the life of its open pit gold mining operations has been granted, after the decision-making roles were transferred to Finance Minister Grant Robertson and Associate Finance Minister David Parker from Land Information Minister Eugenie Sage and Associate Finance Minister David Clark.

The company reapplied on 12 August after being declined by Sage, against the recommendation of the Overseas Investment Office and in opposition to Clark who was the Senior Minister.

Announcing their decision, Robertson and Parker said the investment would benefit New Zealand through the retention of about 340 full-time jobs and export earnings of \$2b over nine years.

They noted that they were required to assess only the benefits described in the Overseas Investment Act in determining their response.

[Announcement](#)

The decline of the decile

School deciles will be replaced in 2021 or 2022 by an Equity Index which Education Minister Chris Hipkins says will better align resourcing to actual levels of disadvantage.

At this stage, a decision in principle has been made. The Ministry of Education will now embark on a consultation with the sector on how the new system will work and how the transition will be managed.

The Index will use information in Statistics New Zealand's Integrated Data Infrastructure to estimate the socio-economic factors present in the lives of children at each school, rather than the neighbourhoods they live in.

[Announcement](#)

The Government explains itself

The Government has released a high production values 28-page overview of its Economic Plan. Most of the content will be familiar but the release was accompanied by the announcement of two tax changes to assist business innovation:

- allowing feasibility expenditure of \$10,000 or less to be deductible immediately and other qualifying feasibility expenditure to be deductible over five years, and
- changing the "loss continuity rules" to enable start-ups to attract new equity investment without having to forfeit their tax losses

[Economic Plan](#)

[Press statement](#)

Closer oversight for financial sector

Banks, insurers and non-bank deposit takers will be subject to a licensing regime intended to drive better consumer outcomes and administered by the Financial Markets Authority (FMA).

This is the Government's response to the reviews by the FMA and the Reserve Bank of New Zealand last year into the insurance and finance sectors, inquiries which were sparked by the Hayne Royal Commission in Australia.

Legislation to implement the new system will be introduced later this year.

[Chapman Tripp commentary](#)

Shuffling the deck

Northport at Marsden Point would be substantially extended to take over the freight operations of Port of Auckland (POA) if the Government accepts the advice of the Working Group on the Upper North Island Supply Chain. POA would keep the cruise ship trade and Port of Tauranga would continue on its current development trajectory.

This is the Working Group's preferred option, identified in its second interim report, released on 2 October by the Ministry of Transport with each page clearly marked in capital letters "THIS IS NOT GOVERNMENT POLICY". The Group will now develop the proposal, including potential implementation plans, for delivery to the Government later this year.

The review was part of the Labour-New Zealand First coalition agreement and reflects New Zealand First's commitment to strengthen the Far North regional economy.

[Report](#)

On the front line in climate change response

Territorial authorities are highly exposed to climate change risk, both as the branch of government responsible for implementing much of the response and as the owners of large amounts of at-risk infrastructure.

This is the third instalment in our *Building resilience to climate change* series. The previous two instalments covered insurance and governance.

[Chapman Tripp commentary](#)