HUGOvision

Assessing the economic and political environment in New Zealand

September 16 2016 | **Confidential to HUGO members**

Still no meat exports to Iran

Meat exports to Iran have not resumed, despite the lifting of sanctions after its agreement on nuclear weapons development, because Iran requires that an Iranian veterinarian and a mullah be present during processing. The last shipment of meat to Iran was more than a decade ago.

A 'public interest' stoush over anti-dumping bill

Commerce Minister Paul Goldsmith's inclusion of a "public interest" test in a bill dealing with countervailing duties on dumped products – those priced here below the price in the country of origin – has riled some in business and manufacturing.

Including the test in the Anti-dumping and Countervailing Duties Bill appears prompted by Housing Minister Nick Smith's wish to cut building materials costs. Business NZ, New Zealand Steel, the Building Industry Federation and Heinz Wattie have lined up to oppose the bill at select committee hearings. The main support is from big retailers such as the Warehouse and Foodstuffs.

The public interest test would allow the Ministry of Business, Innovation and Employment to consider elements such as competition and consumer welfare before imposing an anti-dumping or countervailing duty in response to a local manufacturer's complaint.

Goldsmith said the Productivity Commission's 2012 inquiry into housing affordability suggested greater use of internationally traded house components and building supplies could lower construction costs. "After that MBIE did a construction sector market study and one of their recommendations was the public interest test," he said.

But Catherine Beard, Manufacturing NZ executive director, said there could be a big knock-on effect if a local manufacturer was taken out by low-price competition. In any case, she said, there were provisions in the Commerce Act to deal with problems of restricted or monopoly supplies.

John Nowlan, general manager of NZ Steel, said the surge in Chinese steel production to 800m tonnes a year, half the world's total, had cost "tens of thousands of jobs" worldwide. The govt here had compounded this by suspending dumping penalties for three years to lower prices for the Christchurch rebuild. Nowlan said Canada, the United States, the European Union and Australia do not allow a public interest test of the sort that is in the bill.

Goldsmith insists there is a "very high threshold" for the public interest test and the presumption remained in favour of imposing anti-dumping duties. It would cut in only if the costs of imposing the countervailing duties materially outweighed any benefit to the domestic industry. But Business NZ's opposition, with its huge affiliated membership, including many National Party supporters and donors, may be cause for pause. The issue is already closely linked to the campaign against allegedly dumped Chinese steel.

Bridges' 'world-leading' Uber law loosens – and tightens

Transport Minister Simon Bridges is legislating to enable Uber to operate – but tightening up on its drivers. Bridges thinks it is world-leading, allowing a more competitive "small passenger services" sector.

The Land Transport Amendment Bill loosens the current requirements for drivers who carry paying passengers, including taxi company drivers, but these will be tighter than Uber itself requires.

All drivers will continue to be required to hold a P (passenger) licence endorsement, which Uber dropped in May and some said flouted the law, and to display a driver identification card. P endorsement requires a "fit and proper person" check, including a police check. Uber's checks did not include evidence of specified criminal or traffic convictions beyond seven years, medical fitness to drive, charges laid by police, history of behavioural problems and complaints to police, persistent failure to pay fines, past transport-service-related complaints or overseas criminal convictions.

Since April the NZ Transport Agency has issued 14 infringement notices and served 66 official warnings to at least 1700 Uber drivers on the road.

Other requirements for all taxis: time limits on drivers; vehicle certificates of fitness; and an in-vehicle recording camera for vehicles operating in the 18 main urban areas, unless an exception or exemption applies.

But the industry does get some major concessions. Taxis will no longer need to have signs with information about fares or even their brand. Drivers will no longer need to have an area knowledge certificate, pass a full licence test every five years or have completed the passenger endorsement course. And taxi companies will no longer need to supply services 24 hours a day, seven days a week or monitor driver panic alarms in taxis.

Bridges said new operators (Uber) face unnecessary compliance costs and obsolete requirements drafted in the 1980s well before smart phones were invented.

- Meantime Uber is moving on, launching its first self-drive fleet in Pittsburgh this week, though there will be drivers in case something goes wrong.
- Bridges has also tried to get some more momentum for electric vehicles with an information campaign to mark "international drive week", which runs to Sept 18. At more than 50 events volunteers, business, local governments and other organisations will encourage people to go to an event, test drive an EV car and talk to an EV owner.

No forced CCOs for councils?

The Local Govt Amendment Bill provision allowing the Local Govt Commission to set up council-controlled organisations (CCOs) to deliver infrastructure, particularly the "three waters", may be adjusted after mayors strenuously objected to the Local Govt and Environment select committee.

The mayors particularly bridled at the lack of provision for a local poll before a CCO can be forced on a council. Some councils worried they might have to raise rates to pay for projects over which they do not have control and which benefit other councils. John Key told his weekly press conference on Sept 5 that the govt would not die in a ditch on the issue or force councils to set up CCOs.

Contrast this with Paula Bennett's telling the 2015 Local Govt NZ conference, when she was Local Govt Minister, that she would force them.

The issue the CCOs are intended to address is the growing infrastructure maintenance and renewal challenge for smaller councils as their populations age faster than in the cities, reducing rating bases.

The bill also provides for joint governance for shared services, which some councils already do voluntarily.

The CCO provision was opposed from the start by the Greens and NZ First. Last week Labour also withdrew its support.

Property rights in the constitution? Ask Sir Geoffrey

Property rights are included in a revised constitution Sir Geoffrey Palmer and lawyer Andrew Butler are proposing in a book published tomorrow.

The book is still under wraps but in May Sir Geoffrey laid out some of its main features in a speech. They included a name change to Aotearoa New Zealand to recognise our bicultural status, and replacing the "Crown" with the "state", turning NZ into a republic.

He said the proposed constitution would be "higher law", enabling court inquiry into conformity of laws and govt action with the constitution – though Parliament would still have the "last word".

Palmer also told Hugovision the proposed new Constitution Act would enshrine property rights, an ACT ambition, and environmental and social rights - Greens and Labour would agree. Local govt would have a formal place in the constitution.

These would be major changes in our system and there is little enthusiasm among MPs for such a shakeup. But over time it may point towards a change growing numbers are saying they want.

Problem over the Kermadecs

John Key's refusal to consider Te Ohu Kaimoana's Treaty settlement objection to the Kermadec marine sanctuary legislation is heading to court and has created serious tension with the Maori party. Marama Fox has likened it to Labour's foreshore and seabed fallout in 2004, which led to the Maori party's creation but thinks a solution can be worked out.

One irony is that Maori never fished anywhere near the Kermadecs. Another is that Te Ohu Kaimoana does not intend to now. A third is that it seems to go against the Maori concept of kaitiakitanga.

Final word on the Auckland loop

The govt has committed to half the cost of the central rail loop, which the Auckland Transport Alignment Project (ATAP) now estimates to cost $2.8-$3.4b, far above the previous $2.5b estimate. Leading mayoral candidate Phil Goff is questioning the blowout.

Implementation of ATAP, which spans all of Auckland's transport needs, may be complicated by what appears to be a slowdown in the govt's acceptance of traffic demand management (using electronic tools to levy tolls) to avoid the political risk this might entail in an election year in 2017. It would also add extra cost.

A complication is rising Auckland land costs ,which make the economics of substantial new roads marginal. The need to manage demand will become a bigger factor in the next term of Parliament, regardless of who is in power.

Labour's woes

Labour's 26% ranking in the latest OneNews Colmar Brunton opinion poll - its lowest rating in two years - set off a new bout of soul-searching in the party and some wishful thinking about the capacity to form a govt with the Greens and NZ First, both of which firmed a little in a poll that put National at a solid 48%. While the maths may be right in theory, such a weak Labour result on election night would make govt formation very difficult.

The right at sea in Auckland

Auckland mayoral candidate Mark Thomas is still running despite being asked by some to "consider his position" and despite "speaking the truth: a (Phil) Goff win seems inevitable unless Aucklanders get engaged". He will focus henceforth on spelling out the consequences of a Goff win. Thomas has sworn to stand for the mayoralty again in 2020 .

Thomas does not endorse the 'official' Auckland Future centre-right candidate, Victoria Crone, either. That is another indication of the National party's divisions in the Auckland Council elections. John Key has not endorsed Crone. National president Peter Goodfellow's wife, Desley Simpson, has refused to join Auckland Future, even though she is standing for the council.

Auckland Future was established by ministers Paul

Goldsmith and Nikki Kaye and former presidents Michelle Boag and Sue Wood and includes a significant number from within the party and among Auckland MPs. But there are other Auckland National MPs who are not on board.

Still, it is unlikely this division will spill into next year's general election campaign.

NZ First the provincial party

NZ First is developing as a provincial party. As demonstrated at its conference, since the Northland by-election win in March 2015 the party has attracted some former National party members frustrated with what they see as govt neglect of the regions, a consistent theme of Winston Peters. Some of these, like Clutha-Waitaki farmer Mark Patterson, are likely to rank well on the party's list in the 2017 election.

Whether former Labour minister Shane Jones will be on board, as candidate in Whangarei, and maybe in time succeed Winston Peters as leader, is still not clear. Jones appears genuinely undecided and MP Pita Paraone has put his hand up for the seat.

And what does NZ First want with the RB?

Winston Peters has said that high on the list of his demands in a future coalition will be changes to the Reserve Bank Act. Commerce spokesman Richard Tabuteau, a former economics teacher, says control of inflation would remain No 1 priority but the primary function would be widened to include the rate of growth, export growth, the exchange rate and employment. He has discussed this with Reserve Bank governor Graeme Wheeler.

Glimmer for Solid Energy?

Global coking coal prices have staged a strong recovery on Chinese shortages, and may prove partially sustainable. That creates a glimmer of hope for Solid Energy, which is rumoured to be close to completing its fire-sale process.

Again, as growth wavers, the world waits on the Fed

The markets are betting heavily on nil action again when the US Federal Reserve Board meets on Sept 21 (Sept 22 NZ time).

To weaker than expected United States jobs growth in August have been added a manufacturing contraction, according to the ISM survey, and a sharp drop in the more important non-manufacturing survey. Then Lael Brainard, a permanent member of the Federal Open Market Committee, which decides rate moves, leaned in a speech early this week against a rate rise, or, as she put it, "in favour of guarding against downside risks relative to pre-emptively raising rates to guard against upside risks". "Recent developments suggest some reasons to be concerned more about undershooting than overshooting" on inflation.

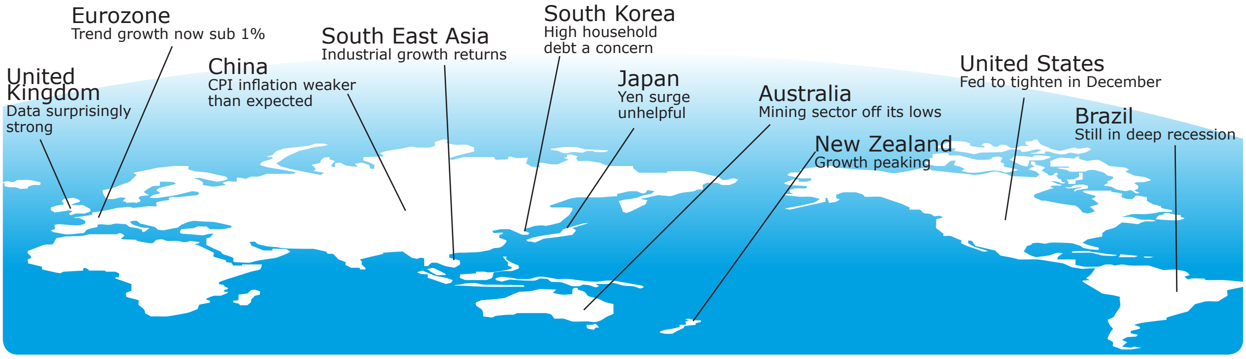
Just weeks earlier Fed chair Janet Yellen told the annual Jackson Hole central bankers pow-wow the case for a rise had been strengthening. This triggered a sell-off in sharemarkets which reversed on Brainard's comments. The sell-off underlined what J P Morgan global markets strategist Michael Bell wrote in the *Financial Times* is increasing questioning of whether central bank stimulus has met a limit.

Meanwhile, in Japan recently retired Bank of Japan board member Sayuri Shirai said the BoJ should for a time aim for a 1% inflation target, as more realistic than its official 2% rate, which it hasn't hit in 20 years. Meanwhile, the first-ever negative yield corporate bonds have been issued in Europe.

Trouble in China

An Oxford University study found more than half of China's infrastructure investments have destroyed economic value, the opposite of what was intended – and is intended in the massive investment in the New Silk Road west from China to the Middle East.

The world at a glance



- The Finance Ministry has found more than a third of China's 31 provincial governments have not disclosed how much debt they have. This poses potential problems for banks which lend to them.
- Authorities have fined five car makers and accused another 20 of fraud in claiming subsidies intended to promote electric vehicles.

And trouble for China …

… as the United States takes it to the World Trade Organisation over what it says are illegal subsidies of rice, corn and wheat. This follows anti-dumping tariffs on steel imports and other WTO cases. This action is intended to bolster President Barack Obama's attempt to get the TPP ratified late this year.

But also some good China news

According to official data, China's industrial production grew an annualised 6.3% and retail sales an annualised 10.6% in August, up on recent months.

Oil and more oil – and less?

The International Energy Agency projects the oil glut to continue into 2017. "Supply will continue to outpace demand at least through the first half of next year." The IEA had expected oil stockpiles to run down in the this quarter but instead they have gone on growing. Major producers are to meet next month to explore coordinated action to reduce output.

And good news on US incomes

Real median household income in the United States grew 5.2% between 2014 and 2015 to $US56,156, the first gain since 2006-07, according to the Census Bureau. This reflected a strengthening labour market, higher wages and very low inflation.

We're rolling on a GDP high – but this is likely the peak

Yesterday's GDP statistics came in at 0.9% for the quarter, 3.6% above the June quarter 2015 and 2.8% on an annual average basis. And the ball is still rolling this quarter and well into next year. But we have also probably passed the peak.

The quarterly figure was below market expectations but accounted for by the upward revision of the March quarter from 0.7% to 0.9%.

The June-to-June figure is far above the United States' 1.2%, the Eurozone's 1.6% and Japan's 0.6% and even above Australia's 3.3%, as reported by the OECD. Of the 10 top G20 trading partners, only emerging-economy China, Malaysia, Indonesia were higher.

The biggest driver in the quarter (5.0%) and the year (10.8%) was construction, reflecting the expansion of house building.

Housing also helped account for a 3.6% jump in durables sales in the quarter. Retail generally was very strong, up 4.0% June quarter to June quarter, reflecting booming tourism – the hotel occupancy rate *(see chart p6)* is far above long-run averages (67.5% average in the year to August) and shows no sign of flagging – and immigration, though also greater consumption generally. Consumer confidence remains firmly positive *(see chart p7)*, even if easing a bit. Business confidence remains strong.

Manufacturing fell short of expectations in the GDP numbers. But that is probably accounted for by wobbly petroleum, chemical and other raw resources.

The strong GDP figure will encourage more inward

Trading partners		GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
	Weights %	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
China	21.9	6.9	6.6	6.3	6.2	6.1	1.4	2.0	2.0	1.8	1.9
Australia	21.0	2.5	2.9	2.7	3.0	3.0	1.5	1.3	2.2	1.7	2.0
United States	14.1	2.4	1.5	2.3	2.3	2.2	0.1	1.2	2.3	2.2	2.2
Japan	7.4	0.6	0.5	0.8	1.1	1.1	0.8	-0.1	0.6	0.4	0.5
Eurozone	7.6	1.6	1.5	1.2	1.5	1.4	0.0	0.2	1.3	1.8	1.5
United Kingdom	4.1	2.2	1.6	0.6	2.0	2.2	0.0	0.7	2.4	2.0	2.2
South Korea	4.0	2.6	2.6	2.6	3.0	3.0	0.7	1.0	1.6	2.0	1.9
Singapore	2.9	2.0	1.7	1.9	2.9	4.0	-0.5	-0.6	0.9	1.5	1.2
Taiwan	2.7	0.6	1.0	1.8	2.4	3.0	-0.3	1.1	1.1	1.5	1.3
Malaysia	2.2	5.0	4.1	4.3	5.0	5.0	2.1	2.2	2.6	2.3	2.4
Hong Kong	2.0	2.4	1.0	1.5	2.2	2.5	3.0	2.3	1.9	2.5	2.3
Indonesia	2.0	4.8	5.0	5.3	5.5	5.6	6.4	3.9	4.6	5.0	4.8
Thailand	1.9	2.8	2.9	3.1	3.8	4.1	-0.9	0.5	1.9	2.0	1.9
Canada	1.7	1.1	1.2	2.1	2.1	2.0	1.1	1.7	2.1	2.0	2.0
Philippines	1.6	5.9	6.1	5.9	5.3	5.2	1.4	1.9	2.9	2.1	2.4
India	1.6	7.6	7.5	7.6	7.5	7.5	4.9	5.2	5.1	5.1	5.1
Vietnam	1.3	6.7	6.2	6.5	6.5	6.5	0.9	2.3	4.2	2.5	3.5
NZ Trading Partners	100	3.4	3.2	3.3	3.5	3.5	1.0	1.3	2.0	1.9	2.0
Forecasts for New Zealand											
Consensus		2.5	2.8	2.8	2.7	2.5	0.3	0.6	1.6	2.0	2.0
BNZ Forecasts		2.5	3.4	3.1	1.9	1.5	0.3	0.4	1.5	2.0	1.8
The World		2.7	2.3	2.7	2.9	3.0	2.1	2.8	2.9	2.7	2.8

DOMESTIC ECONOMY

investment and, in turn, a higher exchange rate (to the Reserve Bank's chagrin). It will push up domestic inflation, even though when that is offset against tradables inflation, the CPI number will stay below the Reserve Bank's 2% target.

And no current account deficit spike

And all this has been without a balance of payments deficit spike as might have been expected from a strong domestic economy, with job and wage growth.

The current account deficit in the year to June came in at 2.9% of GDP (3.1% in the year to March and 3.6% in June 2015). This was slightly higher than the market expected, due to high outbound tourism on the back of a strong exchange rate which narrowed the services surplus. But we expect improvement through the next two years to around 2% of GDP.

The reasons: soaring inbound tourism receipts; strong export volumes in the June quarter, though some of that may have been an inventory unwind, particularly of dairy products; a one-off boost in meat exports as dairy farmers culled herds and beef farmers took advantage of high prices; lower foreign debt-servicing costs; and lower goods imports in the June quarter than in June 2015 thanks in part to lower import prices, which were down 0.9% in the June quarter from a year earlier.

Another factor has been a big boost in national savings, from $1b in 2008-09 to nearly $15b in 2014-15 and an estimated $17b in 2015-16, an expansion that has been faster than that of national investment.

For the record, net national indebtedness was down to 56.3% of GDP at end-June from 57.7% in June 2015. And low global interest rates cut debt servicing costs from 8.9% of exports of goods and services to 7.7%.

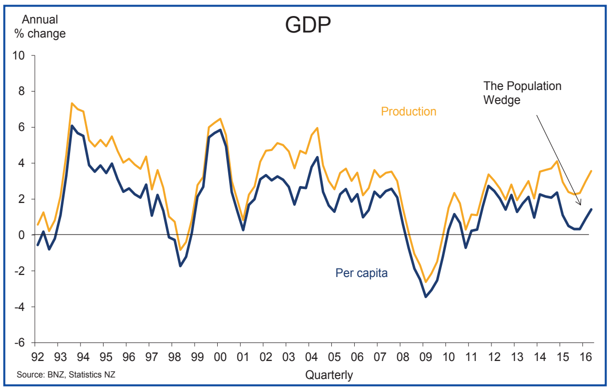
What of the future?

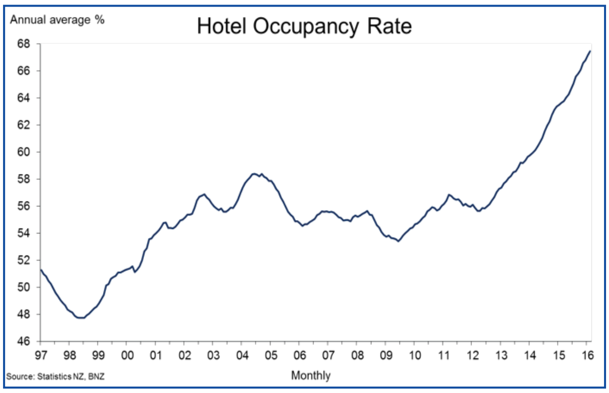
We project GDP growth to slow to a still good 2% annual average in 2018. This is partly because net immigration is likely to fall from its current historically high levels. On a per capita basis, GDP rose just 0.7% in the year to June, though expenditure on GDP rose 2.1% per capita, and real gross national disposable income per capita grew just 0.5%.

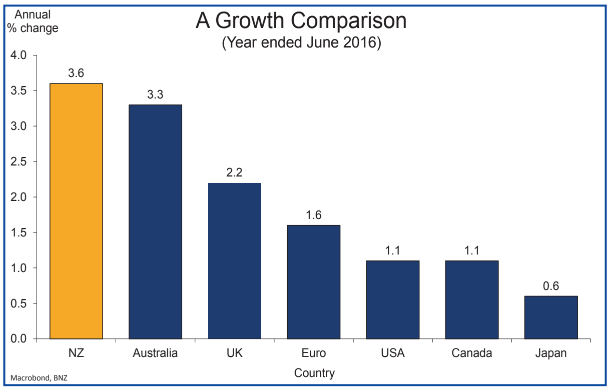
Net immigration is set to fall from its record level and in fac, dropped slightly in July. If that's so, population growth will slow. The increased meat production is transitory. Tourism and construction activity are likely to be capacity constrained.

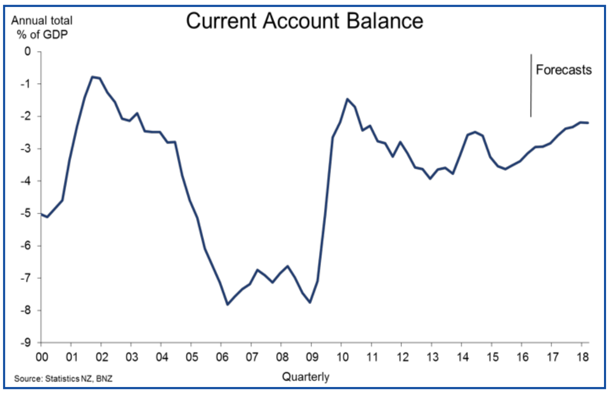
Dairy prices have lifted a bit and the outlook has firmed. Overall, the terms of trade look likely to be around 5% higher in a year's time.

Inflation remains low – one reason for high retail volumes (in addition to expanding real incomes). We expect annual inflation to be around 0.8% in the year to December, as last year's oil price drop impact drops out of the annual figure, then to climb to around 1.5% in 2017 en route to 2% by end-2018.









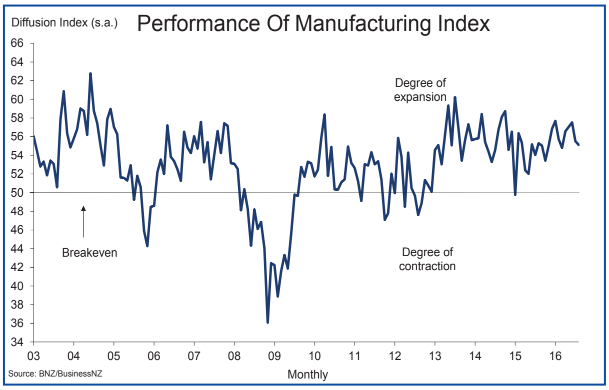
Other economic indicators

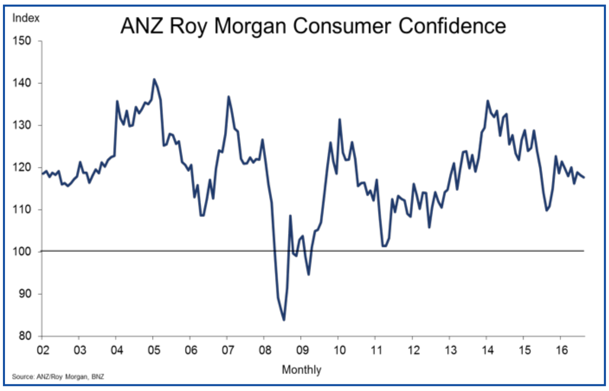
Manufacturing continued to expand through August, registering a healthy 55.1 (*see chart below*), well above the neutral 50 and north of its long-term average of 53.1. But there was some fraying at the edges: metals were well down and larger firms were doing less well than smaller firms.

The **house market** has yet to cool, though it might be starting: the Real Estate Institute reported a 2.6% fall in the median price in August from July which lowers the annual rise from 16.3% in the year to July to 11.7% in the year to August. Days to sell fell to 30.0, from 30.3 in July and 31.1 in August and sales rose (7721 against 7621 in July) but this may have been a rebound from a 9% fall in the previous three months. Watch in the next quarter the effect of the Reserve Bank's new loan-to-value restrictions.

Guest nights rose in July to a monthly record as soaring tourist numbers drove all-time highs across the country and accommodation types. The total of 2.6 million was 6.9% higher than in July 2015 – 16% for international guests and 2% for domestic guests.

Spending on **electronic cards** fell in August, led by a decline at hospitality venues, after two strong tourist-fuelled months. Retail spending fell a seasonally adjusted 0.4% after a 0.2% rise in July. Actual retail spending rose 3.7% from August 2015 to $4.7b. Fuel was the only one of six industry sectors to fall, down 6.1%, reflecting lower petrol and diesel prices.





Regulation

Land Information Minister Louise Upston and Associate Finance Minister Paula Bennett have received the Overseas Investment Office's recommendation on **Shanghai Maling Aquarius's** $261m bid for a half-stake in **Silver Fern Farms** and say they are conscious of the Sept 30 deadline the Chinese company has set for approval.

Uber (*see p2*) is advertising for a new executive role as head of government relations and public policy.

British American Tobacco is still considering a legal challenge to standardised cigarette packaging after the Smoke-free Environments (Tobacco Standardised Packaging) Amendment Bill restricting the use of branding on cigarette packets was passed 108-13.

Former Green Party co-leader and now Greenpeace NZ director Russel Norman has appealed to the Accident Compensation Corporation's investment manager, Nicholas Bagnall, not to invest in the **Ruataniwha Dam** project. ACC has not commented on rumours it is the institutional investor that conducted due diligence on the $275m project, which would create a 93 million cubic metre reservoir to store water in the upper Makaroro river for agricultural use in the Tukituki river catchment.

Draft guidelines for lenders on **consumer credit fees** show the Commerce Commission will accept only those that are reasonable and related to actual costs and aren't being used to generate profits. The guidelines follow the Supreme Court's dismissal in May of an appeal by Motor Trade Finance and Sportzone Motorcycles against rulings in a case brought by the Commerce Commission that fees they charged in loan contracts were unreasonable.

Small-cap

GeoOp's shares tumbled on the management app developer's plans to raise $3.6m in a discounted rights offer to reduce the balance of its convertible notes and fund its 2017 business plan. The company had cash reserves of about $1.1m as at June 30 and directors and related parties provided a $425,000 cash injection after balance date "to provide additional liquidity until completion of the forthcoming capital raising".

Pushpay plans to raise A$40m in a secondary listing on the ASX in October in an effort to attract US investors to its shares. The mobile payments app developer said it is seeking a foreign-exempt listing. The bookbuild would take place in early October, before Pushpay's expected listing.

Sealegs Corp, the amphibious vehicle maker, has filed an application for a High Court injunction for what it calls "alleged infringement of its intellectual property" by Orion Marine, Smuggler Marine and some ex-Sealegs employees employed by Orion.

Comvita-co9ntrolled Seadragon's chief financial officer, Stephen Bayley, is to leave after the fish oil refiner disestablished his role. The company will restructure financial and general administration and create a new commercial manager role, supported by a "virtual" CFO.

The directors of **Wellington Merchants** (which was up to July Kirkcaldie & Stains) have recommended its shareholders accept Ron Brierley's latest takeover offer, with the two largest shareholders indicating they will do so. Brierley's Mercantile NZ has offered $3.45 a share, up from previous offers of $2.75 and $3 in March and June respectively.

Insurance

AA Insurance, owned by Australia's Suncorp Group and the NZ Automobile Association, has reintroduced full replacement home cover for events such as fires, floods and storms but not including natural disasters. Insurers switched full replacement cover for the international norm of sum insured after the Canterbury earthquakes.

Tower expects to take a $16.2m profit hit as it raises claims provisions for the Canterbury earthquake due to greater-than-expected new claims from the Earthquake Commission and increased litigation and customer disputes. Deloitte advised Tower in a draft of its latest actuarial review of a "significant escalation in costs and the need to increase provisions" as a result of the earthquakes. Tower signalled it will review its dividend.

Electricity

Trustpower's shareholders have overwhelmingly voted to carve out its windfarms and renewable development pipeline, splitting into two businesses to be listed on the NZX and ASX. Trustpower keeps the trans-Tasman generation assets and Tilt Renewables gets the wind projects in development or planning stages mainly in Australia.

Aged care

Ryman Healthcare has bought an 8.9-hectare site on Melbourne's Mornington Peninsula as part of its planned Australian expansion, to develop a beachside retirement village with independent living apartments and aged care, and more than 100 staff.

Metlifecare expects to buy at least one new site in fiscal 2017 to exploit growing demand in the retirement village sector. CEO Glen Sowry said Metlifecare will deliver 229 new units and care beds in 2017, rising to at least 300 new units or beds by 2019.

Court

The High Court has ruled a compromise agreement reached between magazine publisher **Trends Publishing International** and its creditors last year be set aside due to a "fundamental misuse of the compromise process" in a case partly brought by Callaghan Innovation, which provided funding of $313,536 to Trends in April and June 2014 but called in Deloitte to examine what Trends had received. The Serious Fraud Office became involved in December.

Food

Moa Group is to raise $4m via a placement and rights offer at a discount and to expand its sales team and for working capital and expenses. The listed boutique brewer will issue 3.77 million new shares at 73c to two New Zealand funds raising $2.75m.

Veritas, the listed hospitality company which owns the Mad Butcher franchise and Nosh Food Markets, has agreed a deal with its bank to reduce debt repayments and reschedule its debt.

ProTen, Australia's largest independent contract grower of broiler chickens, plans more chicken sheds in Tamworth, New South Wales, increasing its annual production to 87 million chickens. ProTen plans 56 to 64 new chicken sheds.

Telecommunications

A WEL Networks subsidiary has bought the govt's majority shareholding in Ultrafast Fibre for $189m, giving WEL and its strategic partner Waipa Networks 100% ownership of the central North Island's fibre company, previously jointly held by Crown Fibre Holdings and Waikato Networks, the WEL and Waipa Networks subsidiary.

Finance

Milford Funds posted a 71% decline in annual profit to $4.4m as the fund manager hired workers and incurred costs to introduce new processes in response to regulatory requirements.

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