

Looking for a last week break-out

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Amid the fog of apparently contradictory polling, the main trends are that the traditional parties of govt are cannibalising the minor party vote and the lead is probably see-sawing between National and Labour. A break-out event in the last week of the campaign could decide either's fate. Wednesday night's second TVNZ leaders' debate will be crucial for both leaders.

Labour – warming to NZ First, pushed to the Greens?

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Senior Labour strategists would rather the party partnered with NZ First than the Greens and Maori Party, but the latest polls may not give the party that option. Taking the long view and in its current strong position, Labour believes a post-Peters NZ First represents ripe pickings for restoration of Labour as the main party of the political centre.

Water tax the next National target?

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National's attacks on Labour's tax agenda forced Jacinda Ardern into the first major backdown of her short leadership. In the provinces, Labour's water tax is galvanising support for National. Expect focus on that policy, and perhaps on the Auckland regional fuel tax, in the last week of the campaign.

David Parker's impact evident again

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Three of the areas in which Labour is facing its greatest political challenges are also areas where its senior MP, David Parker, has been a key policy innovator - capital gains tax, water levies, and the desire to ban sales of existing homes to foreign buyers are all closely linked to Parker.

Labour's trade policy problem

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Jacinda Ardern's promise to legislate against foreign purchases of existing homes by Christmas has a distinctly hollow ring since the acknowledgement that such a move will require renegotiation of at least one free trade agreement. The commitment would also be a challenge for NZ at the APEC leaders' summit in November, where the TPP-11 are hoping for progress.

Jian Yang MP – questions to answer

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The National Party will be hoping that the disclosure of its Chinese-born MP Jian Yang's links to a Chinese military academy don't become an election issue. But the issue raises serious questions about the National Party's candidate vetting processes. Mr Jang may have discharged his duties as a NZ MP impeccably, but the intelligence link is troubling.

How long will it take to form a govt?

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Given how close this election may be, there has to be an even prospect that govt formation will not formalised until the official result is formally declared, on Oct 12.

POLITICS AND POLICY

It isn't over till it's over

The last edition of Hugovision suggested members prepare for a change of govt. That is still our advice – but **preparing for and expecting a change of govt are different things.**

Labour's run over the last week has been far shakier than in the first few weeks of Jacinda Ardern's leadership. A couple of her early calls have come back to bite her, particularly on tax reform, while National's overblown attack on Labour's fiscal plan appears to have hit its mark.

However, with the two main TV polls disagreeing with one another, the election could go either way, as the table below based on the RNZ Poll of Polls indicates.

The **primary trend is the swing towards to the two traditional parties of govt.** Compared with a fortnight ago, NZ First has joined the Greens in holding a tenuous position. While NZ First is likely to return to Parliament – the Greens can't be sure of that yet – **Winston Peters can no longer be assumed to be king-maker.**

For Labour, this means it may be pushed back into the arms of the Green Party, just as senior figures were beginning to see a NZ First partnership as the preferable alternative (see separate story).

On the left of politics, Ardern still receives a hero's welcome – last Sunday's Wellington rally packed out the 1500-seat St James Theatre and had the feel of a religious revivalist meeting – but Labour's weak showing in Tuesday's Newshub/Reid Research poll unveiled deep tensions between Labour and the Greens before last night's One News Colmar Brunton

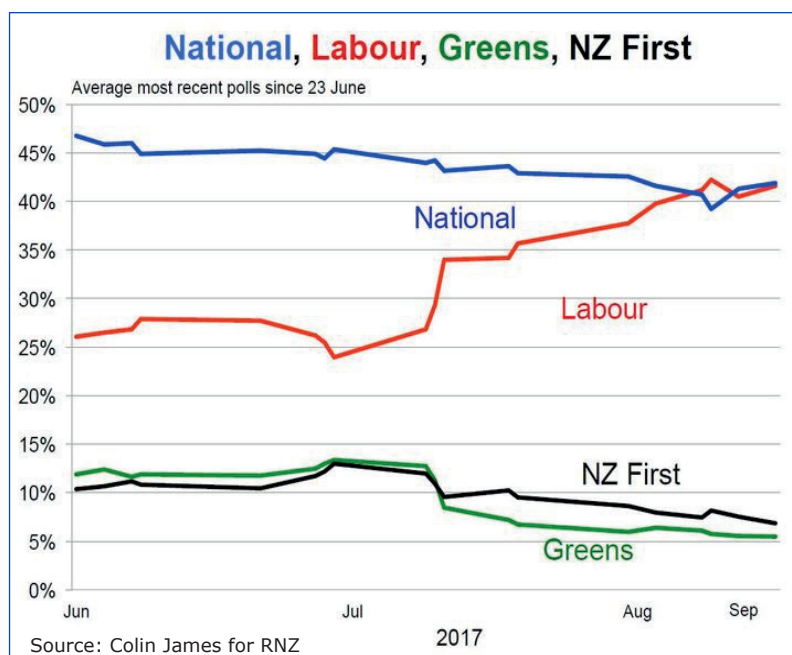
polls settled nerves by showing Labour ahead of National by four points.

Social media lit up mid-week with Green supporters accusing Labour of trying to shut it out of govt (see separate item) by declining a late electoral accommodation and by campaigning on environmental policies where Labour and the Greens have congruent views. **Public disunity between parties that should be political allies could yet harm Labour with wider audiences.**

There is also a sense, difficult to define, that **Labour's campaign does not have a clear central director.** Whereas the National campaign strategy sits clearly with **Bill English and Steven Joyce**, the same is not true of Labour. **Labour's campaign chair Phil Twyford** is campaigning actively for his electorate and with business audiences on **Labour's plans for Auckland** infrastructure and housing market fixes – some of which are **more radical and to the right of National's** – but does not appear to be calling the shots on day to day campaign tactics. **That said, Labour's game on the ground, especially in Auckland, is impressive.** Its investment in Aust Labor Party canvassing and voter identification systems are said to be giving Labour a two-thirds hit rate in identifying supporters and motivating them to vote.

Govt formation – how long?

It has become a truism to say the electorate is **volatile.** There is a shifting range of possible coalition and support party arrangements that could see a close-fought election drift into a longer than usual period of govt formation. **Talks could run through to**



Party	Party vote %	Seats
National	42.0	51
Labour	41.5	50
Greens	5.5	7
NZ First	7.0	9
Maori (1 electorate seat)	1.5	2
Act (1 electorate seat)	0.5	1
TOP	2.0	0
TOTAL SEATS		120

Oct 12 – the day the writs are returned to Parliament and an official final result is declared.

Winston Peters has nominated that date for a final decision, assuming he is in a position to control events to that extent.

The poll conundrum

The number of publicly available polls has shrunk in proportion to the hollowing out of traditional news media. In previous elections, both Fairfax and NZME have added data points with their own nationwide polling.

Scarcity is leading to more scepticism about polls because, with fewer data points, the impact of outlier results on rolling averages can be more volatile. The last Newshub poll did that.

It also leaves **more room for both National and Labour to spin the results of internal polling** that they don't share publicly. Both claim a far closer contest than Newshub's poll, while National says its latest internal polling effectively reverses the Colmar Brunton result.

Has Labour peaked?

What we can say on the basis of the latest polls is that **Labour's stratospheric rise has consolidated at around 40%**, perhaps just above. It will take a Herculean effort or a late-breaking scandal affecting National to see Labour settle in the mid-40s, as it might have hoped a couple of weeks back. High 30s to early 40s appears to be the best they can hope for. **It needs early 40s to be confident of being able to form a govt.**

The Labour camp has been acknowledging its momentum probably started to peter out around the time Steven Joyce launched his \$11.7b 'fiscal hole' gambit, accompanied by a slow drip of new conditions from Labour on the terms of reference for its tax working group.

At the same time, a distinct rural/urban divide has emerged, created in large part by Labour's water tax and ETS announcements.

While Joyce's tactic was written off by the news media because no economist could be found to back his arithmetic, it's difficult not to conclude that National's negative and historically successful campaigning on a "tax-and-spend" narrative has had impact nonetheless.

That is the only way to explain the climbdown by Grant Robertson and newbie revenue spokesman Michael Wood, from Jacinda Ardern's "captain's call" to move fast on tax reform. The "we've listened" strategy should work, though, and

neutralise the issue.

However, the water tax and ETS changes are already unpopular in the provinces, while Aucklanders' appetite for a 10c per litre regional fuel tax has yet to be fully tested.

National's approach now

National's hope and expectation was always that Labour's 'stardust' factor would start to wane at some point. They are daring to hope we are at that point now, although last night's Colmar Brunton result puts Labour in better shape than some Ministers must have hoped.

Not every minister is feeling confident about the election result. At least one is looking forward to losing some weight and spending more time with his kids.

Bill English, however, has continued to campaign strongly and to project confidence in himself, his party and his capacity to win what was starting to look an unwinnable election.

There is a huge amount at stake personally for English. If he loses, it will be the second time he has led National into Opposition after National polled 22% under his leadership in 2002.

If he wins, it will be a personal victory that will strengthen an already strong hand.

Labour favours NZ First

Given the choice between forming a govt with NZ First or with the Green and possibly Maori parties to secure a parliamentary majority, **senior Labour MPs are signalling a preference for NZ First.**

Reasons for this include:

- One support partner is easier to manage than two;
- NZ First + Labour, in some outcomes, would give a larger parliamentary majority than a three-way deal with a weak Greens and 2-3 seat Maori party. A Labour-led govt with a majority of just one or two seats is a very unsteady mandate, as National learned in this term with the Northland by-election and Todd Barclay affair;
- Given the chance, Labour would happily wipe out both the Maori and Green parties. The unexpected combination of events in this election has **given Labour a rare chance for a realpolitik strike** on parties it regards as holding many of its natural supporters at a time when minor parties are struggling;
- The more **nationalistic, interventionist sentiments that animate NZ First are seen as fairly close to Labour's instincts.** A Labour-NZ First govt would

give Labour the chance to cannibalise NZ First supporters over time.

The last point is particularly important.

If Labour forms the next govt, **party strategists see NZ First as a rich source of the middle NZ constituency that would secure the party's long-term future.**

After nearly a decade during which Labour's *raison d'être* and capacity to survive have been sorely tested, Labour won't waste the opportunity, if it's there.

As far as working with the **Maori Party** is concerned, **Labour's Maori MPs support its Whanau Ora policy but want them gone from Parliament.** Some ugly punches have been thrown by the Maori Party, say Labour Maori MPs, who are sensitive about Labour's role in the Tuhoë raids in 2007 and the foreshore and seabed legislation under Helen Clark's Labour govt.

Labour's biggest problems – tax and water

Labour yesterday reversed Jacinda Ardern's 'captain's call' to legislate tax reform from its working group before 2020. **The decision is a blow to Ardern's authority,** but a pragmatic acceptance that another week of secret tax agenda attacks was eroding the sudden, and therefore inherently unstable, surge in public support for Labour.

Labour would still legislate for reforms that would be ready to kick in after the 2020 election, as National has done with its April 1 2018 tax cuts and family incomes package.

In hindsight, **Ardern's first big policy call as leader has been exposed as unnecessary over-reach.** One of Andrew Little's first acts as leader in 2015 was to remove capital gains tax from the party's policy platform, throwing it to a working group whose recommendations would require a fresh mandate to implement.

The second leg of that promise – putting reform to the public – was always more important than the use of a working group to push decisions past election day. Ardern learnt that the hard way. The backdown was announced by finance and revenue spokesmen Grant Robertson and Michael Wood to try and soften its political impact.

Assuming Labour has put the CGT issue to bed, that leaves **the water tax – and possibly the Auckland regional fuel tax – as the next most potent weapons** available to National in the next week.

The **water tax policy is galvanising support for National in rural and provincial electorates,** which is important since that's where National is trying to

pull votes from NZ First.

Confirmation that 10% of agricultural greenhouse gas emissions will be included in the emissions trading scheme has exacerbated a sense in the farming community that a Labour-Green administration would target them.

Responses to farmer criticisms at a public meeting in Ashburton early in the campaign by the policy's architect, David Parker, have also travelled widely. Parker appeared to threaten a higher levy than 2c per cume if rural opposition was too heated.

This dynamic is creating **a more than usually stark urban/rural divide,** with voters in farm-dependent areas feeling victimised and unfairly blamed by liberal urbanites for environmental degradation while getting no credit for their economic contribution.

The planned protest rally next Monday in Jacinda Ardern's home town of Morrinsville is emblematic of this phenomenon. The question is: does this have sufficient momentum to carry through to the ballot box, drawing both soft-Labour and NZ First voters back to National?

National doubles down on rural vote

Meanwhile, National has doubled down on its support for rural communities by unveiling policy to sell Landcorp farms under 5-to-10 year lease-to-buy deals for young farmers.

The party apparently judges the risk of a "privatisation" backlash and difficulties over Maori right of first refusal claims is less than the benefit of being seen to support the farmers.

While the policy envisages just 100 "farming families" benefitting from the policy over the decade,, **it does raise questions about the wider implications for Landcorp if National is re-elected.** There has been long-simmering tension with govt owners over the SOE's strategy under its forward-looking ceo, Steve Carden. SOE Minister Todd McClay has made clear the govt wants Landcorp to resume dividends and run the company on a business-as-usual basis.

Carden has a vision for the business as a leader in the agricultural sector transformation he sees coming down the track at NZ, especially as the **environmental footprint of pastoral agriculture at the heart of NZ's image as a food producer is increasingly questioned.**

The 'Parker Effect' in action

We noted two issues ago the dangers of the so-called

‘Parker Effect’ – the capacity for principled but politically risky policies advocated by David Parker to damage Labour at the polls.

Parker advocated for the capital gains tax policy in 2011 and 2014, and designed the NZ Power and variable OCR monetary policies that Little also axed and which have not resurfaced at this election.

He also authored the policy to levy a charge on commercial water use, which is aimed most squarely at discouraging further irrigation schemes.

The CGT and water tax issues have been major sources of difficulty for Labour in the current election campaign.

Parker is also the driving force in Labour’s trade policy, where the party may also have become boxed in by its advocacy of a ‘ban’ on foreign buyers of existing homes. That stance goes significantly further than the ‘ability to restrict’ foreign buyers that was agreed for the TPP text and has forced Ardern to claim NZ should have no difficulty renegotiating trade agreements with Korea and possibly others in order to bring the ban into force.

That seems a heroic assumption (*see next item*), and again is a product of Parker’s advocacy.

Parker has been rehabilitating himself under Ardern’s leadership after an effective demotion by Little, and is highly regarded by many in the shadow Cabinet as one of its few strong policy innovators. However, that view is not necessarily shared by Grant Robertson. The fact that Robertson fronted the tax working group announcement rather than Ardern may indicate where the balance of loyalties to Parker lies.

Labour’s trade policy problem

Jacinda Ardern has promised a ban on foreign purchases of existing homes would be in place by Christmas, if a Labour-led administration is elected.

But the promise looks hollow now that it is clear one or more free trade agreements will need renegotiation before any such legislation can be given effect. **The legislation could be passed by then, but without an implementation date.**

While Ardern says renegotiation with Korea should be easy, that seems to ignore that **Korea is fending off attempts by the Trump administration to renegotiate the US-Korea FTA.** Making a concession for NZ on what, for Korea, is a non-issue would be diplomatically very unattractive. The fact Korea is being presented with the demand as a legislated fait accompli is also naïve.

However, the problem created by the ‘ban’ policy goes considerably deeper. While Labour insists it won’t have an impact on the China FTA, it appears

likely that it will if Korea hangs tough, and it is also expected to affect the Singapore FTA, not to mention the FTA with Taiwan. **The Taiwan deal was unusual and only possible because Beijing was in a mood to encourage Taipei** into the fold to a greater extent than is the case today. NZ and Taiwan were effectively given ‘permission’ to negotiate an FTA. It’s doubtful Beijing would give the nod if NZ were to seek to renegotiate the terms of the Taiwan FTA to allow the foreign purchaser ban.

Perhaps most crucially, the ban creates **a major problem for NZ’s standing as the long-serving secretariat for the TPP negotiation**, currently down to 11 members since the withdrawal of the US.

At the urging of Japan and NZ, in particular, officials have been hoping to breathe life into TPP-11 at the APEC leaders’ summit in November.

If NZ goes to that meeting seeking a renegotiation, former MFAT trade negotiator Charles Finny suggests **TPP-11 could become “TPP-10 real fast”, with NZ on the outer.** Such an outcome may play well to parts of Labour’s base, but it would be a politically damaging first international outing for PM Ardern. **Labour is betting that other nations will hold things up** and there will be nothing to announce at APEC anyway.

Note that the only FTA definitely not affected by the ban is CER. Note also that **NZ officials continue to negotiate TPP-11 terms in Sydney in the lead-up to the election**, and that Trade Minister Todd McClay sees no obligation to consult with Opposition parties on positions the govt may adopt, despite the proximity of the election. The fact remains that **if Labour had stuck with the ‘ability to restrict’ foreign ownership wording hammered out for the Oct 2015 TPP deal, it would be able to impose high taxes on foreign buyers that would amount to a ban, without having to be called one.** That would have been a more elegant solution than renegotiating trade pacts from a position of weakness.

Jian Yang, MP – very untidy

The disclosure by Newsroom that National MP Jian Yang taught at a Chinese military intelligence academy is very untidy. The party’s vetting process appears to have missed a decade of its MP’s professional life. At the very least, Mr Yang is well-placed for assertion of Chinese ‘soft power’.

There is no evidence that Mr Yang has been anything other than an assiduous MP. However, his past roles, including what appears to be a quasi-political role while studying in Aust, and as a major fundraiser for National in the Chinese community, are cause for further inquiry. ■

DOMESTIC ECONOMY

GDP growth of 2.6% in prospect as election day looms

The last two major economic indicators for release before election day are quarterly balance of payments and GDP statistics on Wednesday and Thursday respectively.

GDP growth of 2.5%, in line with RBNZ and Treasury forecasts, is expected. That is not a particularly strong figure to take to the polls on Saturday.

The Treasury was forecasting 3.1% on average over the next five years in the May Budget, but that fell to 2.9% in the pre-election fiscal update.

The BOP figures are unlikely to be controversial, at around 2.9% of GDP.

The June quarter GDP stats will include activity during the Lions tour and will reflect a bounce-back in primary output and exports after patchy prior quarters. Forestry is notable for showing strong volume and prices. The BNZ/Business NZ PMI was in strong expansion over the June quarter. Offsetting that, national building activity is easing, as Canterbury's massive reconstruction cycle continues to abate.

Impact of climate change

Local Government NZ has reiterated its concerns about the impact of climate change, saying the incoming govt needs to provide a clear statement on responsibilities for adapting to higher temperatures, rising sea levels and more violent storms. The body representing 78 local, regional, and unitary authorities says its members "are at the front line of climate change adaptation and have a role to play in mitigation" but it also says central govt needs to prioritise a plan for a low carbon and resilient NZ.

House prices

The **housing market** needs to cool further and credit growth needs to slow to remove risks to the wider banking system, Standard & Poor's says. Its update on NZ banks noted risks from house price inflation and credit growth had stabilised this year, with the third round of the Reserve Bank's loan-to-value ratio restrictions biting into demand for residential property investor mortgages and banks tightening their own credit since late 2015. While that was a start, S&P director of financial institution ratings Nico de Lange said the agency wanted to see that trend continue.

REINZ figures for Aug show residential property sales slowing markedly and Auckland property values falling slightly over the past year. REINZ cites LVRs and more cautious bank lending criteria. The

uncertainty created by the general election may also be a contributing factor.

The REINZ house price index rose just 0.5% in the month of Aug. Excluding Auckland, house prices rose 7% from a year earlier, while in Auckland values dropped 2.9%.

The national median house price lifted 8.2% over the year to \$530,000 with five regions recording record median prices. Excluding Auckland, the median price lifted 11%, while Auckland's median price slid 1.2%.

Retail sector

Retail spending on electronic cards edged lower in Aug as expenditure on eating out and durable household items dipped. Retail spending on credit and debit cards decreased 0.2% in seasonally adjusted terms from July, having fallen 0.5% that month. Total spending, including non-retail industries, increased 0.6% in Aug from a month earlier.

Briscoe Group lifted first-half profit by 4.8% to \$28.6m and said it was satisfied with the result in the face of ongoing competitiveness and unusual weather conditions. The result includes a \$1.6m dividend from its 19.8% stake in Kathmandu Holdings. Sales rose 4.4% to \$280m.

Top Retail, which operates NZ's two Topshop and Topman branded stores, has been tipped into receivership due to the prospect of mounting losses in the face of increased competition, an environment that sunk its Australian counterpart in May.

Economic indicators

Despite a softer housing market and the imminent general election, **consumer confidence** remained elevated in the ANZ-Roy Morgan Sept consumer confidence survey. At 129.9, the index was at a three year high. The current conditions index rose to 127.3 from 124.9 and the future conditions measure rose to 131.6 from 127.1.

Both the volume and value of **manufacturing sales** rose in the June quarter, lifted by meat and dairy product manufacturing. The volume of total manufacturing sales rose a seasonally adjusted 1% in the quarter after a 0.2% three months earlier. The value of manufacturing sales rose a seasonally adjusted 3.9% in the June quarter after rising 3.1% in the March quarter.

Food prices rose in 0.2% seasonally adjusted in Aug, and gained 2.3% in the year. The **price of butter** hit a record high of \$5.39 per block, up 11% in the month and 62% in the year. 🇳🇿

Telecommunications and media

Vodafone Group is reported to be considering an IPO for its NZ business after last year's planned merger with **Sky TV** was rejected by the Commerce Commission. Deutsche Craigs has reportedly been running non-deal roadshows on both sides of the Tasman for a partial listing on the NZX and ASX to raise more than \$1b.

The **Commerce Commission's annual consumer issues report** shows Vodafone and Spark still attract the most ire from customer complaints, although the rise of online shopping has seen a growing number of complaints in that space. The regulator plans to put greater emphasis on retail telco providers in the current year, as the most complained of sector attracted 603 complaints in the 2016/17 year out of 7,270 total complaints. Of that, Vodafone attracted 186 complaints, followed closely by rival Spark at 180, about twice Two Degrees Mobile's 88.

Tomizone has inked a deal to buy **Bluesky Online Services** for a combination of cash and shares worth A\$275,900 as it looks to grow its business. The ASX-listed wi-fi service provider has signed an agreement to buy all the business and assets of the Auckland-based managed services company for A\$142,500 in cash and the issue of 6.67m Tomizone shares.

4RF posted a wider \$2.5m loss in its latest financial year as the Israeli-owned radio equipment maker continued a heavy research and development programme as it chases export markets for its smart radios. The company's annual loss widened to \$2.5m from \$868,000 a year earlier on largely flat operating revenue of \$23m.

Primary sector

Fonterra plans to include an update on its 18.8% investment in Beingmate, the Chinese infant formula producer and distributor that Fonterra uses to push its leading Annum formula into the Chinese market, at its results announcement on Sept 25. First NZ Capital's head of institutional research Arie Dekker called on Fonterra to be more transparent about its Beingmate stake, which has nearly halved in value since it was acquired in 2015. The investment has become a confidence as well as a performance issue for investors, Dekker said. Dairy product prices edged higher at the **Global Dairy Trade auction**, rising for the second time in six auctions, as gains in milk fats offset a decline in milk powders. The GDT price index rose 0.3% to US\$3,323. Some 33,501 tonnes of product was sold, up from 32,260 tonnes at the previous auction. Whole milk powder fell 1.6% to US\$3,100 a tonne.

CropLogic, the agricultural technology company,

debuted on the Australian stock exchange at A17c, a 15% discount to its IPO price. The company, which counts Powerhouse Ventures and the NZ Venture Investment Fund as shareholders, raised A\$8m in a fully subscribed share offer last month.

Tru-Test Corp has hired Simon Mander to lead the agritech company as it looks to build earnings after a hard round of cost-cutting in response to last year's dairy downturn. Mander replaces Greg Muir who stepped down after more than eight years in the top job.

Tegel Group reiterated that it expects this year's underlying earnings to be ahead of last year's \$75.6m as it benefits from population growth and protein competition that still favours poultry.

Alliance Group says it will invest \$1.7m in two plants in order to meet growing demand for NZ-sourced blood products.

Food and fibre

The **Supreme Court rejected an appeal by Affco** against a lower court's finding that the meat processor unlawfully locked out meat workers when collective bargaining was taking place. In a unanimous decision, the Supreme Court upheld the Court of Appeal's view that the relationship between Affco and its seasonal workers "was sufficiently close to bring the latter within the scope of the word 'employees' in s.82(1)(b)" of the Employment Relations Act.

NZ Trade and Enterprise, which has encouraged a Chinese company to invest in a \$180m wood processing plant in the Central North Island to boost regional development, is now looking into whether there is enough wood fibre available to supply the plant following concerns from local industry. Guangxi Fenglin Wood Industry Group announced plans this year to establish a plant in Kawerau by 2020 to produce 600,000 cubic metres of panel boards a year and generate 100 new jobs.

Delegat Group has named John Freeman as its next managing director. He replaces Graeme Lord, who will step down in July 2018 after four years in the role and 19 years with the company.

Energy and resources

Zeta Resources' play for NZ & Gas has hit a bump with the NZX-listed firm's independent directors saying they'll probably recommend investors reject it as too cheap, and are now considering a better rival bid. An indicative partial bid by OG Oil & Gas, the oil and gas division of Ofer Global Group, would trump Zeta's offer at 77c a share for no more than 70% of NZOG and at least a controlling stake.

CORPORATE ROUND-UP

Bathurst Resources shares rose to a 3 1/2-year high on confirmation of its purchase from the receivers of Solid Energy's Stockton mine, which has infrastructure strategically placed to service its Buller Coal Project. The ASX-listed miner is projecting a massive uplift in production thanks to the output of Stockton and two mines near Huntly that have previously supplied the Huntly Power Station and has signed a 2 1/2-year contract to supply up to 150,000 tonnes a year from its Rotowaro and Maramarua mines.

Large-scale use of batteries in the electricity system is expected to become commercially viable in the next three to five years, but electricity market rules will have to change to deliver owners the full value of batteries' various uses, Transpower says in a discussion paper. **Batteries will be most valuable when placed close to consumer load** and may make sense for households as standalone investments rather than necessarily being linked to rooftop solar photovoltaic installations.

Construction

Fletcher Building has arranged an additional \$345m of debt facilities with three banks in its existing syndicate. The new facilities were "in line with Fletcher Building's scheduled refinancing programme, and will allow the company to work with its lenders to access longer term funding solutions."

Transport and tourism

Christchurch International Airport will pay its Crown and council shareholders a special dividend of \$3.5m on top of ordinary dividends of \$34.8m after record passenger numbers helped drive a 50% gain in annual profit.

Corporate actions

WSP Global Inc has lifted its offer for **Opus International Consultants** after the company declared a 14c dividend. Shareholders who choose to sell will now receive \$1.92/share from the previous \$1.85, which allowed Opus to declare a fully imputed dividend of 7c. The takeover offer came last month after extended negotiations with Malaysian Stock Exchange-listed UEM Edgenta Bhd, which owns 61.2% of the company.

Turners Automotive Group's plan to raise as much

as \$30m by selling new shares to help fund future growth and improve the share's liquidity has run into strong criticism from the NZ Shareholders Assn and institutional investors. The proposal is dilutive for existing shareholders. Turners intends placing new shares at \$3.02 apiece, which will be fully underwritten by the sole lead manager UBS NZ. It also plans to raise as much as \$5m through a non-underwritten share purchase plan which will be offered to eligible shareholders and bond holders.

Steel & Tube ceo Dave Taylor has resigned and will leave next week after eight years running the listed steel building supplies company. Taylor took over as ceo from Nick Calavrias, a 19-year veteran of the company, in October 2009.

Di Humphries will leave **Hallenstein Glasson Holdings** at the end of the month after almost a year-and-a-half back at the clothing chain, having returned the Glassons women's wear brand back to profitability.

Plexure Group ceo Scott Bradley is leaving the company following an overhaul which is expected to help narrow the digital ad firm's first-half loss and generate positive cash flow this month.

The liquidators of **Wynyard (NZ)**, the local unit of the failed crime investigation software developer, say they're still considering a \$171m creditor claim from the parent company while pursuing \$5.9m from two other subsidiaries of the group.

Financial services

PledgeMe, the equity crowdfunding and peer-to-peer lending platform, has joined rival Equitise in signalling plans to enter the Aust market ahead of a law change coming into effect across the Tasman this month. Co-founder Anna Guenther will relocate to Brisbane for six months to establish the Australian business. PledgeMe will participate in the Queensland government's HotDesQ programme, which helps companies to relocate to the state.

NZ Post's annual profit fell by a third to \$93m after it sold almost half of its stake in **Kiwibank**. Revenue fell 5% to \$890m and expenditure fell 9% to \$887m. The latest earnings include a \$71m contribution from its 53% share in Kiwi Group Holdings after NZ Post sold 47% of the Kiwibank business in Oct. ■