

## **A deft accounting for Phil Twyford's failings**

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The PM had very little choice but to shift Phil Twyford out of the housing portfolio because of the failure to date of KiwiBuild. However, he is hardly in the dogbox. By retaining the Urban Development and Transport portfolios while also gaining Economic Development, he is arguably more powerfully positioned for the future, while taking his lumps short term.

## **ANZ's own goals help an embattled central bank**

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The most aggressive public face of the trading banks' pushback against the RBNZ's new capital adequacy proposals has been the ANZ Bank. Its spate of public humiliations has blunted its capacity to threaten economic consequences if the central bank proposals go ahead. A month ago, the RBNZ looked embattled and defensive. Today, it is in a stronger political position, thanks to its chief critic's own goals. Note the PM has ruled out a banking commission of inquiry.

## **Some clarity emerges on Fair Pay Agreements**

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The union movement chose this week to step up pressure on the govt to advance the second tranche of its employment law reforms, specifically the framework for allowing nationally negotiated collective agreements for low-paid private sector workers. Cleaners, security guards and supermarket workers should be the first groups targeted, the unions say. There was cautious endorsement from relevant employers.

## **Deposit insurance - bowing to the inevitable, but ...**

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There has been a long campaign by opponents of NZ's 'open banking resolution' model for dealing with bank collapses that argued the country should follow the course of most other countries and introduce a deposit insurance scheme. The decision in principle to have such a scheme ends that debate, but the low level of proposed guarantee and retention of OBR suggests the pro-OBR lobby still carries some weight.

## **Thumbs-up from OECD and IMF**

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Both the OECD and IMF reviews of the NZ economy and policy mix are broadly supportive of the mixture of conservative fiscal settings, institutional arrangements and policies aimed at improving wellbeing. Both see the NZ economy slowing after the current fiscal impulse washes through, mainly because of uncertain global conditions.

## **3 waters regulator on the horizon**

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Jacinda Ardern said one reason for relieving David Parker of the economic development portfolio was to give him more space to develop policy to improve water quality in his environment portfolio. We expect the Cabinet shortly to approve proposals to create a new regulatory body for the so-called 'three waters' - drinking, storm and waste.

## The Cabinet reshuffle

Jacinda Ardern both chastised and bolstered Phil Twyford in her minor Cabinet reshuffle. The optics of **removing him from the housing portfolio says demotion**. The fact of **leaving him with Urban Development says that he is only being removed from the retail end of housing policy**. He is being left in charge of the transformative, fast-track and other legislation that she still hopes will produce a glut of home-building that should improve housing affordability.

**Giving him the economic development portfolio relieves David Parker of a heavy load while connecting Twyford to the pipeline of infrastructure investment** decisions required to intensify urban infrastructure, including public transport, roading and the 'three waters' (*see item p.2*). In other words, it connects to his transport portfolio, which is untouched in the reshuffle. **As demotions go, it looks pretty bearable** if it lances the KiwiBuild boil by putting a new face, Megan Woods, on the housing policy 'reset'.

Ardern has **left for now underperformers David Clark and Iain Lees-Galloway**, perhaps reflecting the paucity of experience and talent at her disposal.

Bringing **Kris Faafoi** into the housing triumvirate - strangely Ardern did not acknowledge **Building and Construction Minister Jenny Salesa** as part of the housing policy team - indicates the fast-track the Porirua MP and former TV journalist is on. He had already been expected to become a minister inside Cabinet.

Also on the rise: **Michael Wood** as senior whip and vacating the chair of the finance and expenditure select committee, which **Deborah Russell** takes. **Duncan Webb** replaces Russell in the chair at the environment select committee. All three can assume they are on the track to Cabinet posts.

The elevation of Woods indicates that Ardern rates her, even if the oil and gas industry doesn't for the quality of decision-making on oil and gas exploration bans and the **now doubtful goal of 100% renewable electricity by 2035**. Leaks of the Interim Climate Change Commission to both NZME and Stuff journalists this week suggest there will be **staged backdown on that policy**, just as Woods will lead a softening on KiwiBuild.

Note that Twyford's inheritance of the economic development portfolio puts him on a collision course with Regional Economic Development Minister Shane Jones. **Twyford and Jones have at times stopped communicating over recent months** because of the tensions between them, both personal

and policy-based.

## Housing reset - the wait continues

Expect the long-delayed housing policy 'reset' some time after Parliament resumes after a three week recess on July 23.

One of Megan Woods's early challenges will be **whether and to what extent to keep the KiwiBuild brand**. **The concept still polls well**, even if its execution has been a flop to date.

Recommendations from the OECD - and comments from Twyford at select committee hearings mid-month - also suggest there is a **desire to reorient to assist the provision of more rental housing**. The OECD points to other countries that subsidise private developers to build affordable rentals. But **might the Cabinet be too gun-shy now to promote a new version of KiwiBuild that would be painted as lining developers' pockets?** That would be worse than the impression that KiwiBuild was becoming middle class welfare. Providing rental stock through existing central and local govt channels - primarily Housing NZ - may seem politically safer.

More than any other minister, Twyford has put the intellectual effort into understanding urban land and housing issues. That's why he keeps urban development responsibilities. For political reasons, the govt's policy execution has been back-to-front. It needs the fast-track urban development authority legislation in place before it can force the pace on large-scale home-building, but that won't be in place much before the election. KiwiBuild was always going to struggle without it.

That said, **also missing in action are early policy discussions about accelerating creation of a prefabricated home-building industry in NZ**.

## National's reshuffle and the Luxon factor

Simon Bridges cannot escape the inevitable impression that **Amy Adams has announced her retirement from politics now because she does not want to spend two or more terms in Opposition**.

And for all that **Bridges banged his talking points about the depth of National's caucus, the appointment of Paul Goldsmith as finance spokesman hardly constitutes proof**. Goldsmith is a bright guy with a sharp wit and analytical ability, but has shown very little in the way of policy or political imagination. He comes across as blue-blooded, aloof and, if anything, quirky rather than authoritative. While citing Bill English as his inspiration for a great finance minister, Goldsmith exhibits little of the

empathy that animated English's policy instincts.

Some **colleagues see a Ruth Richardson figure ideologically**, albeit with better jokes.

The decision to **leave climate change spokesman Todd Muller at 31 on the list looks petty**, irrespective of Muller's apparent belief he might challenge Bridges for the leadership one day, although he continues to hide his light under a bushel after two terms in Parliament.

Muller shares with outgoing Air NZ ceo and National Party candidacy aspirant **Christopher Luxon a background in corporate leadership**. Muller was on the Fonterra senior leadership team.

Luxon's intentions may prove more difficult to achieve than he imagines. Politics and business leadership are not the same thing and the wait for ascension can be slow. Political parties tend to require newcomers to pay their dues. **John Key**, also a corporate animal, entered Parliament in 2002, becoming party leader in 2006 and PM in 2008.

## ANZ's own goals a political gift to RBNZ/govt

The RBNZ must be counting its blessings over the way the ANZ's series of own goals in recent weeks are turning the tide of public opinion in favour of a more interventionist approach to bank regulation.

On top of the ANZ's failure to use an approved Operational Risk Calculation model to determine capital adequacy for some six years, and its ex-CEO David Hisco being outed over lavish and misreported expense claims, this week's Court of Appeal decision overturning the High Court's 2017 ruling in ANZ's favour over the way it marketed interest rate swap products to farming customers was a further blow to the bank's public standing.

That helps the RBNZ, which was starting to look isolated. **The ANZ was leading the public charge against the RBNZ's capital-holding proposals while some other banks have kept their heads down.**

This cascade of damaging news for the country's largest bank has also given the govt an issue to seize on.

Announcements on Phase 2 of the RBNZ review had been slated for Tuesday this week, but PM Jacinda Ardern commandeered them at short notice to headline her post-Cabinet press conference on Monday afternoon.

Also broadly backing the RBNZ's proposals to sharply increase the amount of capital the trading banks must hold on their balance sheets were **country surveys by both the OECD and IMF that either endorsed or welcomed the RBNZ's approach**

**to financial system resilience.**

Banks and insurance companies regulated by the Reserve Bank can expect the central bank to be more intrusive as institutional self-discipline has been lacking, says deputy governor Geoff Bascand.

## Deposit insurance - something of a halfway house?

The IMF also welcomed the govt's decision in principle to establish a bank deposit guarantee scheme for deposits in any bank account of up to \$50,000. Final details will only emerge after consultation. Early criticism suggests this is a relatively small amount of protection compared to other countries.

The **proposals suggest the govt still has some sympathy for NZ's unusually unprotected open banking resolution (OBR) model**, which would see depositors take a 'haircut' in the event of a possible bank failure.

The \$50,000 threshold would cover about 90% of all current bank accounts, but would cover only about 40% of total deposits. The position of bank deposits held by KiwiSaver funds is not clear at this stage.

## Some clarity, some argument on Fair Pay Agreements

The CTU and the E Tu and Unite unions launched a cleverly timed report on collective bargaining from BERL on Tuesday this week.

Using OECD data to argue there is no measurable negative impact on productivity from collective bargaining, the report dropped just before an OECD country report was released at Parliament with Grant Robertson.

OECD officials at the briefing took a different view, suggesting that it was a matter of degree and of which industries were covered by collective bargaining as to whether they could hamper productivity.

Consensus appears to exist around the potential for FPAs to help ease income inequality for poorly organised groups of low-paid workers without harming national productivity and possibly improving it through better employer practice and uniformity.

The CTU advocates three groups of workers - **cleaners, security guards, and supermarket workers**

### Rapid rail to Hamilton mooted

Little-noticed has been Transport Minister Phil Twyford's advocacy of a rapid rail link between Auckland and Hamilton. In a recent speech, he said the concept was under consideration, although he offered no timetable. A one hour Auckland-Hamilton trip would be the goal, with a Tauranga link to come too.

- should be the first to be covered by a nationally bargained Fair Pay Agreement.

The govt has promised FPAs in 'phase 2' of its industrial relations reforms. **The issue is contentious with employers and the govt has yet to deliver either final Cabinet decisions or draft legislation yet.**

Anyone employed in a sector negotiating an FPA will have to belong to a trade union - some see this as a 'thin edge of the wedge' return to pre-1990s compulsory unionism.

## Three waters regulator on Cabinet agenda

Cabinet is **expected to consider in the next couple of weeks** proposals that would establish a new regulatory body to enforce new standards for drinking, storm and wastewater.

## Public sector reforms

The unveiling this week of the new Public Service Bill proposals are intended to provide for a more flexible public service which will allow public servants to easily transfer from department to department and for ad-hoc joint ventures of multiple departments to be formed. The JVs would be run by a board of CEOs and would have the power to second staff and purchase assets. Already State Services Minister Chris Hipkins is proposing that one could be used to rationalise the various border agencies at Auckland Airport. But they would also be able to be formed to manage a wellbeing target that might be included in a future Budget.

The reforms also propose a sweeping incorporation of the Treaty of Waitangi not only across the core public service but among Crown entities as well. This will also mean chief executives will have a collective responsibility to develop cultural competence and capability for supporting Māori leadership within the public service "and ensuring the public service engages with and has strong

relationships with Māori."

Implementation of the Bill will be closely linked to the upcoming changes to the Public Finance Act to allow for appropriations to be made to the proposed joint ventures.

## Ignominious end for 'Gabs' Makhlouf

Outgoing Treasury Secretary Gabriel 'Gabs' Makhlouf's last day in the job yesterday was about as ignominious as can be imagined for a senior public servant.

Determined that he was not at fault in the way he handled the Treasury website security breach that saw Budget materials published by the National Party, he effectively forced SSC head Peter Hughes into holding a lengthy press conference at which Hughes acknowledged he was doing further damage to the already significant hit Makhlouf's reputation has taken.

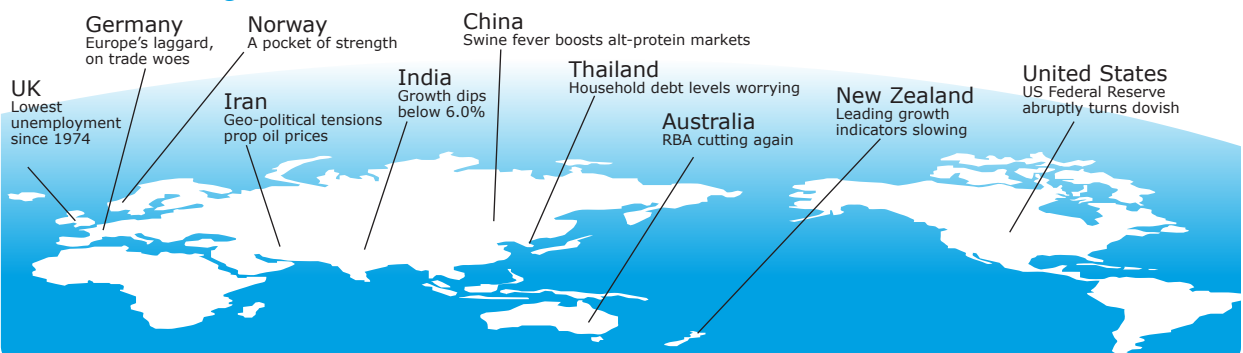
Hughes made clear what we have noted in HUGOvision previously: that an offer of resignation would have been appropriate, whether or not it would have been accepted - both as a gesture of accountability and to take the political heat out of the issue. Instead, the issue ran on this week and is likely to cause Makhlouf further headaches as he heads to Ireland to head its central bank.

Reading between the lines, it appears Makhlouf's fury at the breach clouded his judgement about his own responsibility to own the fact that it was a Treasury lapse.

Hughes made clear he expects public sector ceos to offer their resignation "on major failings" while making clear that he also concluded the breach was not a sacking offence when considered against Makhlouf's 8 years of public service.

Meanwhile, Caralee McLiesh, a former deputy secretary to the NSW state govt and current head of the New South Wales' training agency TAFE, has been appointed to replace Makhlouf from Sept. 🇳🇿

## The world at a glance



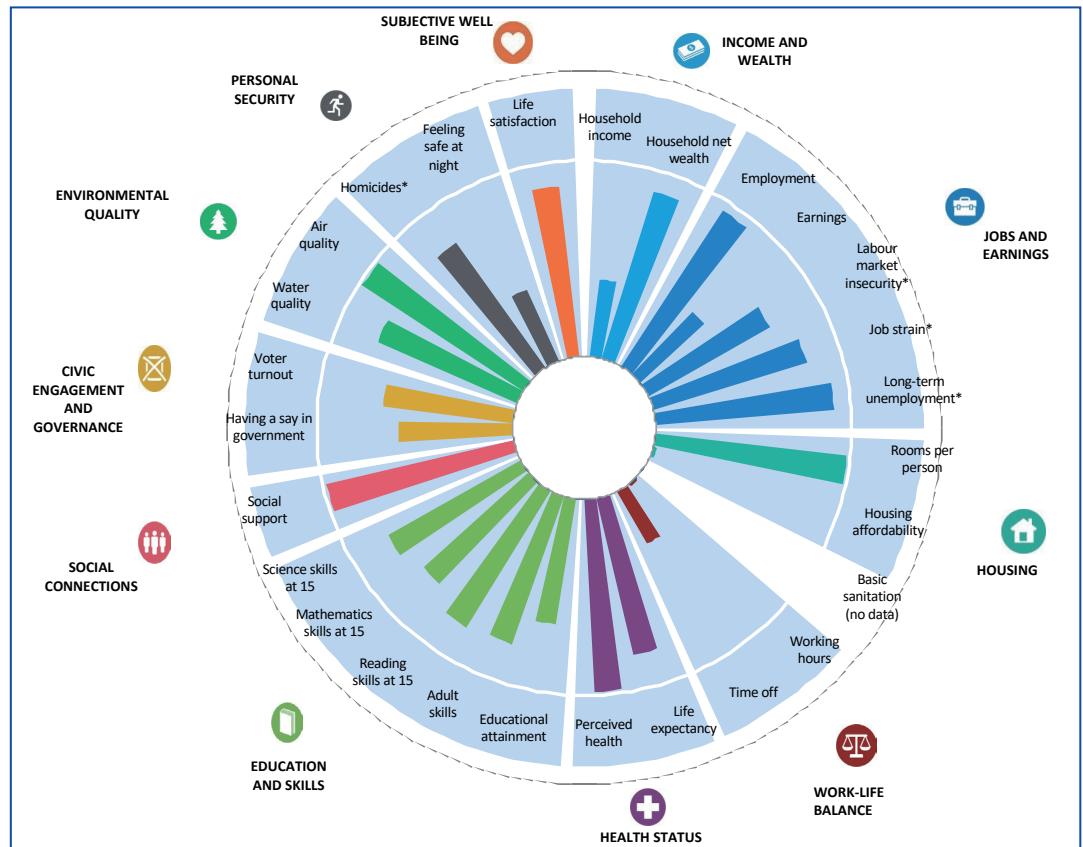
### NZ looks OK - the world is the main constraint

Deteriorating global economic conditions, in part caused by the slide into a new era of protectionism and isolationism, were identified as the primary risk for NZ by both the IMF and OECD in country reports issued this week.

That makes this weekend's G20 summit in Osaka important since media reports suggest there may be progress on a detente in the trade war between the US and China. As always, the question will be whether any such improvement is durable. However, Donald Trump's decision to go back to Japan after a bi-lateral visit to Shinzo Abe last month says something. Japan-watchers were doubtful Trump - a reluctant international traveller - would return for the G20.

Both the OECD and IMF see some slackening in NZ economic growth rates, largely because the fiscal

OECD 2019 report measure of NZ's current well-being vs OECD peers



impulse of this and next year's Budget will dissipate after 2020 and because of uncertain global conditions.

The OECD found NZers scored relatively well for wellbeing scores, with very high comparative levels

### Trading partner growth

(2017-2018 actual; 2019-2021 Hugo and Consensus Forecasts)

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
China	29.1	6.8	6.6	6.3	6.0	5.8	1.6	2.1	2.3	2.3	2.4
Australia	19.1	2.4	2.8	2.0	2.5	2.6	1.9	1.9	1.6	2.0	2.4
United States	11.5	2.2	2.9	2.5	1.8	1.8	2.1	2.4	1.9	2.1	2.3
Japan	7.3	1.9	0.8	0.8	0.4	0.7	0.5	1.0	0.6	0.9	0.8
Eurozone	6.5	2.5	1.8	1.1	1.3	1.2	1.5	1.7	1.3	1.4	1.6
South Korea	3.6	3.1	2.7	2.1	2.4	2.5	1.9	1.5	0.9	1.6	2.0
United Kingdom	3.2	1.8	1.4	1.4	1.4	1.6	2.7	2.4	1.9	2.0	2.1
Singapore	2.7	3.9	3.1	2.1	2.3	2.5	0.6	0.4	0.8	1.2	1.6
Hong Kong	2.4	3.8	3.0	2.2	2.2	2.4	1.5	2.4	2.3	2.3	2.3
Taiwan	2.5	3.1	2.6	1.9	1.9	2.1	0.6	1.4	0.7	1.1	1.4
Malaysia	2.1	5.9	4.7	4.4	4.4	4.7	3.8	1.0	1.1	2.1	2.5
Indonesia	2.1	5.1	5.2	5.1	5.1	5.1	3.8	3.2	3.1	3.5	3.6
Thailand	1.9	4.0	4.1	3.3	3.4	3.4	0.7	1.1	1.0	1.2	1.4
Philippines	1.6	6.7	6.2	5.9	6.1	5.8	2.9	5.2	3.0	3.2	3.6
Vietnam	1.5	6.8	7.1	6.5	6.4	6.2	3.5	3.5	3.0	3.8	3.8
India	1.5	7.2	6.8	7.0	7.2	7.4	3.6	3.4	3.8	4.4	4.6
Canada	1.5	3.0	1.9	1.4	1.7	1.7	1.6	2.3	1.9	2.0	2.0
<b>NZ Trading Partners</b>	<b>100.0</b>	<b>4.1</b>	<b>3.9</b>	<b>3.5</b>	<b>3.4</b>	<b>3.4</b>	<b>1.8</b>	<b>2.0</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>
<b>Forecasts for New Zealand</b>											
Consensus		3.1	2.8	2.5	2.6	2.4	1.9	1.6	1.6	1.8	2.0
BNZ Forecasts		3.1	2.8	2.4	2.6	2.5	1.9	1.6	1.7	1.9	1.7
<b>The World</b>		<b>3.2</b>	<b>3.1</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>2.9</b>	<b>2.6</b>	<b>2.6</b>	<b>2.8</b>

## DOMESTIC ECONOMY

of social support and life satisfaction compared to other wealthy countries, but hampered by very high housing costs and relatively low wages coupled with longer than average working hours, compared to country peers. Stats NZ wellbeing measures released this week showed a similar pattern.

The OECD report also suggests (*see graph below*) that the **top 20% of households by income have recently begun to spurt away from the rest of the population.**

It also warns on the risk that having too many wellbeing indicators could hamper the gov't's agenda if it makes it difficult to demonstrate or explain. **"Identifying intermediate outcomes, which respond fairly rapidly to changes in policy systems but can be linked empirically to final wellbeing outcomes, may prove pivotal,"** it says.

### Interest rates to go lower still

The RBNZ held the cash rate at 1.5% this week but says "a lower OCR may be needed over time". This has been widely interpreted as signalling an August rate cut, but the statement itself did not suggest aggression in either extent or timing.

The monetary policy committee that now considers these decisions does see a softer economy and risks weighted to the downside on whether inflation and employment objectives will be achieved.

But that doesn't yet amount to hard evidence for further easing. Rather, the central bank is positioning for forward risks but leaving itself room to resile if those risks were to reduce.

### Economic statistics and indicators

GDP expanded 0.6% in the three months to March 31 after a 0.6% rise in the Dec quarter and was 2.5%

higher than the same quarter a year earlier, Stats NZ said. Construction was the main contributor to GDP growth, rising 3.7% on top of a 2.2% increase in the previous quarter. Service industries experienced their lowest quarterly growth since the Sept 2012 quarter, rising 0.2%. On a per capita basis, GDP expanded 0.1% in the quarter from a 0.2% lift in the Dec quarter. For the year ended March, GDP per capita was up 0.9%.

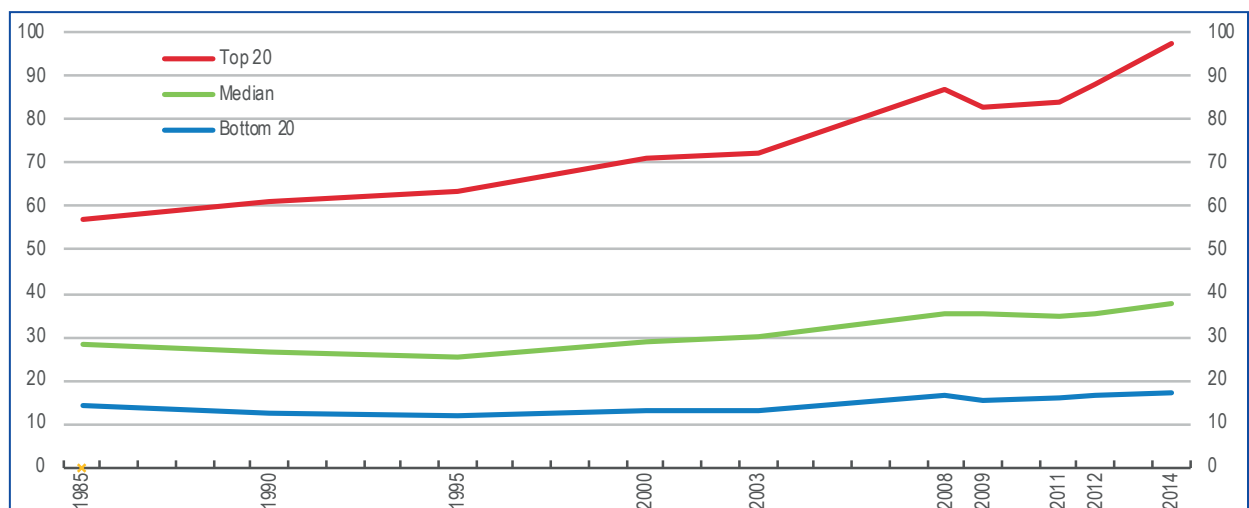
Exports rose 8.5% to \$5.8b on the year in May while imports rose 7.6% to \$5.5b. The May trade surplus was \$264m. The annual trade balance was a \$5.49b deficit versus a revised \$5.56b deficit for the 12 months through April. It was \$3.7b in the year ended May 2018. Dairy products led the rise in exports. They reached \$1.3b in May, up 15% from the same month a year earlier.

The BNZ-BusinessNZ performance of services index increased 1.6 points in May from April to a seasonally adjusted 53.6, 3 points lower than a year earlier and below the long-term average of 54.4.

The Westpac McDermott Miller employment confidence index rose 2.7 points to 116.9 in the June quarter, reversing some of the gloomier outlook in the March period. The present conditions index rose 2.3 points to 122.4 and the employment expectations index was up 2.9 points at 113.2. A net 28.6% of the 1,555 respondents said they were earning more now than a year earlier, up from 16.6% in March. A net 28.2% expect to be earning more in a year's time, up from 19.3% in March.

The Westpac McDermott Miller consumer confidence index fell 0.3 points to 103.5 in the June quarter, below the long-run average of 111.2. It had fallen 5.3 points to 103.8 in the March quarter. The present conditions index was down 1 point at 106.6 while the expected conditions index inched up 0.1 of a point to 101.4. ■

The rich still getting richer faster



## Primary sector

A NZ First MP's bill to set up a debt mediation scheme for farmers is to be adopted by the govt. It will introduce a mediation step before the appointment of a receiver in respect of agricultural debt.

**Fonterra's** NZ milk collection for the year through May rose 1.2% despite a weak end to the season. It collected 1,522.7m kilograms of milk solids in the year after a poor season last year. Fonterra said May production fell to 68.4m kgMS, down 3.5% from a better May in 2018. It is forecasting a slight reduction in the current season collection to 1,520m kgMS.

Milk testing technology firm **GEA Milfos International** will pay \$925,000 in penalties and costs after admitting it fixed prices on milk sensors with rival Dairy Automation.

Herd improvement and agritech co-operative **LIC** will move to the Main Board of the **NZX** next month, transferring from the Alternative Board.

**Dairy NZ** sees fully automated milking as a major opportunity to lift on-farm productivity, but doesn't expect it to be commonplace for several decades.

ASX-listed **Keytone Dairy**, which owns a Christchurch dairy factory, will pay A\$22.4m in cash, shares and assumed debt for Australian powder processor **Omniblend**.

**NZ King Salmon** expects 2020 annual earnings will match this year's and it will boost capital spending in an effort to mitigate the higher mortality rate caused by warmer water. The company forecasts operating earnings of \$25m-28.5m in the year through June 2020. Harvest volumes will likely be about 8,000 tonnes in the coming year, slightly higher than anticipated for the 2019 harvest.

## Telecommunications and media

**Spark's** offer of free access to streaming coverage of the Rugby World Cup in return for signing up for long term contracts is undercutting competitors, challenger mobile operator **2Degrees** claims. Spark rejects the claim, saying it had taken considerable commercial risk in securing sporting rights and competitors were free to do the same if they so wished.

## Energy

**Chevron and Equinor (previously Statoil)** announced they were dropping offshore North Island east coast exploration licences gained in the 2014 block offer, citing better opportunities elsewhere. The move, while not directly pinned to the govt's offshore exploration ban, gives a foretaste of the likely

swift wind-down in exploration activity that could threaten the assumption that further discoveries will underpin local gas demand for the next 20-30 years.

**Contact Energy's** ceo of the last eight years, **Dennis Barnes**, will step down early in 2020. An executive search will be undertaken but the company also noted its efforts to develop internal talent as well. A stand-out candidate would be **James Kilty**, who has been with Contact since 2002, apart from a stint at NZ Post. Kilty is currently chief generation and development officer. Barnes is Contact's fifth ceo since its creation in 1996 and brought stability to the business after a tumultuous period under previous incumbent **David Baldwin** and former majority shareholder **Origin Energy's** unsuccessful attempt to merge the two businesses. Kilty spent time at the University of Chicago **Booth School of Business** in 2016/17 and was named **Energy News Young Executive of the Year** for 2010/11.

**Ballance Agri-Nutrients** is to develop 16 MW of wind generation as part of a plan to produce renewable hydrogen. The fertiliser maker has partnered with **Hiringa Energy** to develop the \$50m project at its site in southern Taranaki.

**Tilt Renewables** is considering selling its 270 MW Snowtown 2 wind farm in South Australia to fund new developments.

**Meridian Energy's** Australian business has agreed to supply a new energy service being started by online retailer Kogan.com. Powershop will supply energy and retail services and Kogan will be responsible for all sales and marketing.

Offshore oil and gas operators could be required to hold up to a maximum level of \$1.2b of **spill insurance** under proposed new rules. Currently, operators are required to hold insurance worth around \$27m. The new proposal would require them to hold levels of insurance proportionate to risk.

## Construction and infrastructure

**Fletcher Building** plans to buy back as much as \$300m of stock, with the bulk of the \$1.24b from the sale of its Roof Tile Group and Formica units being used to cut debt. Fletcher plans to repay an additional \$600m-\$650m of debt during the coming financial year, leaving it with around \$1.1b of drawn debt in June 2020 cutting its interest bill to \$80m-\$90m from \$130m. Another \$240m-\$250m will go towards Fletcher's troubled Building + Interiors unit.

The High Court ruled **McConnell Ltd**, the ultimate shareholding company of H Construction North Island, should pay 1.1m of court costs after it rejected a settlement offer and attempted to seek

## CORPORATE ROUND-UP

an adjournment that wasn't just unsuccessful, but unnecessary. Last year, the ministry won its case against H Construction North Island, with the court ordering a \$13.4m payment to help repair nine leaky buildings at Botany Downs Secondary School.

### Transport, logistics and tourism

**Air NZ** chief executive **Christopher Luxon** resigned effective Sept 25. Chairman **Tony Carter** said the board expected to announce his replacement soon. Luxon said he plans to take a break over the summer to think about what he wants to do next and did nothing to rule out speculation he would enter politics with National.

NZ should develop a trade and travel hub between China and Latin America, the 'Building the Southern Link Conference' in Auckland was told. **Trade and Export Growth Minister David Parker** said NZ's geographic location, once considered a disadvantage, was now an opportunity to facilitate trade and travel between the eastern and western sides of the Pacific as an alternative to crowded northern hemisphere airports.

Chinese investment manager **Citic Capital** will get a seat on **Tourism Holdings'** board, paying full price to lift its stake as part of an \$80m capital raising. Citic will pay \$4.02 a share in a \$30m placement to increase its shareholding to 16.9%. It will appoint its vice chair **Guorong Qian** to the THL board as a non-independent director.

Minister for Land Information, **Eugenie Sage** announced \$1.99m to deliver a regional Satellite Based Augmentation System to improve GPS accuracy.

### Banking, finance and insurance

**ANZ NZ CEO David Hisco** left after disagreement over his expenses including the personal use of chauffeur driven cars and wine storage. Chairman **Sir John Key** said it was a mutual decision to part ways, but Hisco didn't accept all of the bank's concerns. **Antonia Watson**, who previously headed retail and business banking, will continue as acting chief executive until a replacement is named. She began when Hisco went on sick leave.

### Innovation

The govt's \$100m **Green Investment Fund** isn't

targeting an overall rate of return, but will instead weigh up each investment on an individual basis. Treasury deputy secretary **Struan Little** told a select committee he wasn't aware of any work being done on returns, or an acceptable discount, given the focused nature of the fund.

### Capital markets

Investors will be able to buy fractionalised shares on the **NZX** through micro-investment platform **Sharesies**, which has been accredited by the stock market operator.

### Real estate

Cabinet agreed to implement a recommendation of the Tax Working Group requiring most people who buy and sell properties to supply their IRD number on land transfer documentation. Currently up to one-third of land transfers are made without a record of the IRD number of the buyer or seller.

### Commercial property

**Arvida Group** is paying \$180m through a combination of equity and debt to buy Bethlehem Country Club and Bethlehem Shores in Tauranga and the Queenstown Country Club.

**Kiwi Property Group** is considering adding residential property to its shopping centres, although no decisions have been made.

### Key appointments

**Susan Paterson** was appointed to the **Reserve Bank** board to replace **Keith Taylor** who is retiring after two terms.

**Barbara Chapman** was appointed chair of the CEO Summit Committee for **APEC 2021**.

One of NZ's most experienced diplomats, **Carl Worker**, was appointed as Ambassador to Argentina, where he has served once before. He is currently Consul-General in Hong Kong and a former Chinese and US and Fijian ambassador.

### Governance

The number of women on state sector boards increased to a record level of 47.4% in 2018, up from 45.7% in 2017.

**Alan Isaac** was appointed the new president of the Institute of Directors. ■