HUGOvision

Assessing the economic and political environment in New Zealand

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Voters still back lockdowns

The politics of covid-19 lockdowns is still working for Jacinda Ardern, buying the government time while it recognises the extent of the narrative shift required to prepare a covid-free country for the inevitability of the delta variant's incursion.

Two sets of polls that became public this week tell versions of the same story.

One from **Curia**, the **National Party's** long-time polling agency, and Labour's pollster, **UMR**, both showed **Labour** lifting strongly after a period of weakness prior to the latest lockdown, and a slump for **National** *(see next item)*.

Perhaps most interesting, however, is that UMR found a lift in numbers saying the country is on the 'right track', which coincides with the lockdown, despite a covid-related question showing a big spike in people expecting that 'the worst is yet to come'.

UMR's **right track/wrong track mood indicator is one of the most-watched indicators of the political weathervane,** in part because of its longevity and accuracy in showing significant shifts in public sentiment that bleed into political party support.

Prior to the lockdown, the 'right direction' track had been falling steadily, having sat about 70% and gone as high as 78% twice between June last year and May this year.

It had fallen to 62% between the last 78% reading in late March and late Aug. At exactly the time the lockdown kicked in, it began rising again, standing at 67% in the middle of this month.

In synch with this is the measure of whether the "worst is behind us or still to come'.

The worst is behind us peaked at 63% in April, and plummeted to 37% in Sept – a clear indication that the reality of the delta variant's threat to the norms of the covid elimination strategy are becoming understood.

UMR now records 'worst ahead' at 63%, the highest since the end of the 2020 lockdown in May, when opinion was split 51/49 between worst is behind or ahead, respectively.

It is difficult not to interpret this combination of improved support for the government, increased belief that the country is on the right track and that the worst is yet to come as a **fundamental public endorsement of the government's handling of the ongoing challenge of the pandemic.**

More importantly for business and institutional leaders, it is **important to recognise that this endorsement is at odds with judgement of the government's poor execution of covid policy responses**, even if there is agreement among both elites and the general population that there is 'worse to come'.

In our view, this conjunction of 'right track' endorsement and 'worst to come' pessimism suggests **the government has an opportunity now to reshape its narrative from the elimination strategy to the need to vaccinate and then open up.**

Raising vaccination levels is key.

So far, evidence suggests that **fear is more powerful than Mr Whippy van naming competitions.**

Frontline vaccination workers report vaccination centres are emptying in South Auckland as the prospect of Level 3 approaches.

National's agony continues

The flipside for **National** is that it is **more hamstrung than ever by a surging Act party and the increasing inevitability of Judith Collins's eventual replacement.**

The question is when will the conditions be right for replacement? That is not only a question of who to install in her place, but when to do so?

The middle of a **lockdown that is clearly having much greater impact on a range of small and medium-sized businesse**s – particularly highly visible and politically impactful main street shops and hospitality venues – is not a great time to do so.

On the other hand, having **a new leader installed by Christmas would give National a clear run through to the 2023 election – a strategy that only holds if the next leader lasts that long.**

Given that the only two options being seriously discussed are a retread – **Simon Bridges** – and a rookie – ex **Air NZ** ceo **Christopher Luxon** – the parliamentary caucus and the party are hampered by the lack of a surefire replacement choice.

Nevertheless, camps are forming.

Bridges acolytes are confident he would return, if asked. But they are less certain that the more rounded and likeable Bridges, who served as a Key era Cabinet minister and re-emerged after he lost the leadership last year, would be available as leader.

They are considering who they could wrap around Bridges as mentors, in much the way that Ardern has lent heavily at times during her prime ministership on **Helen Clark** and, **Michael Cullen**.

Bridges had enormous regard for **John Key** as PM. Whether Key has time or inclination for deep engagement may be another matter.

Luxon's inexperience and corporate style count against him, as does his particular brand of Christian faith, given the proportion of the National caucus now professing revivalist/fundamentalist religious adherence. The **party risks being marooned in a political cul de sac** if it allows that part of its caucus and membership to become too dominant.

What is not in doubt is that **Collins is failing in the role. Her embrace of Cameron Slater in the Siouxsie Wiles controversy demonstrates a remarkable lack of judgement**, while her attempts at a populist, folksy persona come off as forced and too calculating to be sincere.

He's back ...?

The Curia polling for the **Taxpayers' Union** shows only one politician with higher unfavourability ratings than Collins: **Winston Peters**.

However, **NZ First's** resurgence in the same Curia poll to **within striking distance of the 5% MMP threshold** for parliamentary representation is almost certainly a reflection of National's problems.

Curia put National on 21.2%, with Act on 14.9%. It recorded Labour with 45.9% support, the Greens on 9.6% and Te Paati Māori 1.2%. The same poll put National on 30% in July. The poll was conducted from Sept 5 to Sept 9. It said Jacinda Ardern was the preferred PM of 50.8%, Judith Collins 4.4% and David Seymour on 9.3%. Curia's political polling rarely enters the public domain.

A UMR poll taken from Aug 31 to Sept 6 had Labour on 45%, National 26%, Act 13%, Greens 6% and NZ First at 4.1%. In early Aug, Labour was at 43% in the same poll – its lowest result since Feb last year, before covid-19 arrived.

Betwixt a rock and a bigger rock

The shock announcement of Australia's AUKUS alliance to give it nuclear submarines creates new challenges for NZ's strategic positioning between its traditional allies and China.

Jacinda Ardern made the best of the lack of notification, focusing on NZ's anti-nuclear policy as a reason to be left out. She saw no ill effects on either ANZUS or Five Eyes. However, the fact that our government knew nothing demonstrates both how irrelevant NZ is becoming to great power considerations in the region, and perhaps the extent that Wellington is seen as too friendly to Beijing.

China described the deal to arm Australia with nuclear submarines and long-range strike capability as an "obsolete cold war" mentaility that "gravely undermines regional peace and stability."

China was quick to try to capitalise on NZ's exclusion from the deal by attempting to drive a wedge even deeper with a deft trade move.

Early this morning, **China formally applied to NZ to join the CPTPP trade deal**, that Australia is a part of and Britain wants to join, but which America opted out of under **Donald Trump**.

NZ is the keeper of the documents for the deal and has a special role as a sort of gatekeeper on who can apply to join.

China's new trade minister **Wang Wentao** submitted a written request to Trade Minister Damien O'Connor yesterday, and they conducted a teleconference "to communicate on the follow-up work related to China's formal application," China's foreign ministry said.

China has also sought to join another NZ initiative, the **Digital Economic Partnership** set up with Singapore and Chile.

NZ now faces the awkward choice of either blocking the application to keep CPTPP a non-Chinese group dominated by Japan, Australia and potentially Britain. Or it could invite Beijing in to **an alliance originally envisaged by Barack Obama and his deputy Joe Biden as a Western bulwark to exclude China**. Either way, getting the US back into the CPTPP is looking harder by the day.

Meanwhile, there is still no sign of the UK-NZ FTA being completed, having missed its end of August deadline. The UK minister closest to the deal, Liz Truss, has just been promoted to replace the Foreign Secretary, Dominic Raab, implying potential for further delay.

Coming up

Oct 6 - **RBNZ makes 'in-between' OCR decision** without news conference or full quarterly forecasts. A 25bps hike to 0.5% is expected.

Oct31 - Nov 12 - The UN's COP26 **Climate Change conference** due in Glasgow.

Nov 3 - **RBNZ** releases six-monthly **Financial Stability Report**

Nov 24 - Second **RBNZ** rate hike to 0.75% expected

'Covid ate our emissions plan'

Climate Change Minister James Shaw got the embarrassing task of admitting the government will not meet its own legislated timetable for the first Emissions Reduction Plan under the Zero Carbon Act.

A law change is needed to give the government five more months to respond to the recommendations of the Climate Commission.

Its response was due before the end of the year, and NZ also needed to prepare an enhanced offer for Shaw to take with him to the Glasgow Climate Summit due at the end of Oct and early Nov.

Shaw said Cabinet has agreed to begin consulting on the Emissions Reduction Plan (ERP) in early Oct and require that the **final plan be released by the end of May next year in line with the 2022 Budget.**

Transport Minister **Michael Wood** has also focused his recent work on preparations for the ERP, which is likely to include capital-heavy moves to bolster public transport and housing infrastructure, along with potential subsidies to move faster to electrify the vehicle fleet.

The clock is ticking for the government, and also the planet. NIWA official climate data shows winter 2021 (June to Aug) was 1.32°C degrees above average and the warmest on record. Last winter it was 1.14°C above average.

The pressure is building for exporters as well, given the EU's latest moves to increase border taxes on exports from countries seen as climate laggards, which include Australia.

The UN's pivot this year to focusing on reducing methane emissions faster has also raised the stakes.

Transport's holding pattern

Transport planning, funding and spending remains in a sort of no-mans land until the ERP is settled.

Wood unveiled the latest **National Land Transport Plan** (2021-24) last week, for spending over the next three years, on public transport, walking and cycling, roading and the rail system.

Only a quarter of the plan is for public transport and nearly two-thirds is for maintaining roads and building new ones.

The new news was that **the Crown will lend an extra $2b to NZTA** to top up funds from fuel levies and road user charges (RUCs), and funds from councils.

Wood has also launched a formal review of the funding arrangements for transport. Currently there is a 'hypothecated fund' (the National Land Transport Fund) that is built up with revenues from levies and RUCs and the money is dedicated or 'hypothecated' to building and maintaining roads, rail and public transport.

The review will start next year with a public discussion paper and will take years, rather than months, said Wood. Extra lending will likely fill any gaps in the meantime. **The use of congestion charges and how to transition from levies paid per litre of petrol and the number of kms travelled on roads by diesel-powered vehicles will all be up for review.**

This latest NLTP spending plan is up 44% from the last one, and 75% above the one before that, which was set under the previous National-led government.

However, it is likely to change again dramatically as the government when the ERP is completed.

Currently, only $6b or 25% of the spending is on public transport, cycling and walking, albeit up 40% from the previous NLTP.

This plan spends $3.9b on expanding highways and motorways, including the $661m Te Ahu a Turanga Manawatū Tararua Highway (Manawatu Gorge replacement) and $637m to complete the Waikato Expressway extension by filling in the 'gap' of 21.8km on a bypass east of Hamilton.

It includes $2.7b for Auckland, which was $300-$400m less than **Auckland Council** applied for.

Coastal shipping ahoy

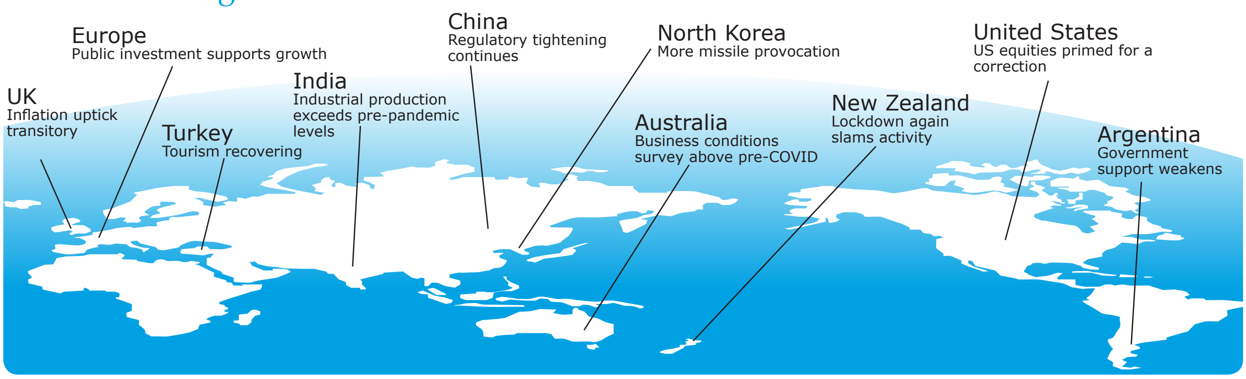
The new transport plan does include **$30m over three years** for "investments in infrastructure, research and programme business cases, and projects" **to improve coastal shipping.**

There were no specifics, but there have been calls recently from smaller ports for government-subsidised coastal shipping service to take pressure off road and rail and offset global shipping lines dropping smaller ports from their schedules.

Three Waters in deeper waters

Local Government minister **Nanaia Mahuta** is facing

The world at a glance



increasingly tough opposition from councils to her Three Waters proposals to amalgamate the country's 67 water service authorities into just four.

Particularly telling was the **caution sounded by Local Government NZ,** which risked political capital to endorse the reforms at its annual conference barely two months ago.

Writing plainly in a letter to the West Coast Regional Council that was tabled for the public, LGNZ president Stuart Crosby said the government had made a hash of explaining the reforms. He **called on the government to abandon its extensive advertising campaign and to reset the timetable** for the reforms, which were being lumped on top of RMA and water quality reforms, as well as covid.

"This has been exacerbated by a poorly-pitched public information campaign, which LGNZ has had tough conversations about with both DIA and the minister."

The Auckland and Christchurch councils are opposed, along with most in the South Island, and those in Northland the East Coast of the North Island. The government now faces the choice of forcing the reforms through with legislation, which now seems the only option to get the reforms done before council elections in Oct next year.

However, there are **no signs that the government is minded either to abandon or significantly change the proposed reforms**. While there is some growing evidence that there could be support for, say, 10 rather than four regional water services entities, ministers remain focused on the efficiencies and improved management they believe would only flow from creating a small number of such entities.

They remain highly focused on the larger scale problem that NZ has underinvested in water infrastructure for so long that some regions face multi-billion catch-up investments that only Crown assistance will allow to occur. They continue to believe that **funding offers currently on the table will offset the political damage** that would likely ensue from forcing through legislation for the amalgamations.

Ministers may also be calculating that, **despite three waters being a major issue, the only issue voters will judge the government on is covid management.** They are also being advised that vociferous public opposition to the plans is not matched to the same extent by conversations with council representatives behind closed doors.

Covid border management

The **trans-Tasman bubble** will remain closed until at least mid-November and is unlikely to reopen before broader international travel restrictions start easing.

However, experiments with '**MIQ-at-home'** will move ahead next month, and a **new lottery system for MIQ allocations** will begin next week, with 3,000-4,000 beds a week to be allocated. **Rapid anti-gen testing is being fast-tracked**, perhaps to avoid a repeat of the protracted saliva testing rollout.

Trading partner growth

(2019-2020 actual; 2021-2023 Hugo and Consensus Forecasts)

Trading partners		GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
	Weights %	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
China	32.9	6.0	2.3	8.6	5.6	5.3	2.9	2.5	1.4	2.3	2.3
Australia	16.1	1.9	-2.4	4.2	3.4	2.6	1.6	0.8	2.4	2.0	2.0
United States	13.1	2.2	-3.4	6.2	4.4	2.3	1.8	1.2	4.1	2.9	2.3
Japan	7.1	0.7	-4.7	2.4	3.0	1.2	0.5	0.0	0.1	0.5	0.7
Eurozone	5.7	1.3	-6.5	4.8	4.4	2.2	1.2	0.3	2.1	1.5	1.5
South Korea	3.4	2.0	-0.9	4.1	3.2	2.4	0.4	0.5	1.9	1.6	1.6
United Kingdom	3.0	1.4	-9.8	6.8	5.4	1.9	1.8	0.8	2.2	2.7	2.4
Singapore	2.2	1.3	-5.4	6.6	4.3	2.9	0.6	-0.2	1.8	1.4	1.6
Hong Kong	2.4	-1.2	-6.1	6.5	3.4	2.5	2.9	0.3	1.7	1.9	1.8
Taiwan	2.6	3.0	3.1	5.9	3.2	2.5	0.6	-0.2	1.6	1.5	1.4
Malaysia	2.1	4.3	-5.6	4.5	6.1	5.0	0.7	-1.1	2.5	1.8	2.5
Indonesia	2.1	5.0	-2.1	3.5	5.3	5.2	2.8	2.0	1.8	2.9	3.4
Thailand	1.9	2.3	-6.1	1.4	4.3	3.4	0.7	-0.8	1.1	1.3	1.5
Philippines	1.4	6.0	-9.6	4.9	7.0	6.5	2.5	2.6	4.3	3.2	3.0
Vietnam	1.6	7.0	2.9	5.5	7.2	6.3	2.8	3.2	2.6	3.6	3.6
India	0.9	4.0	-7.3	9.3	7.3	6.2	4.8	6.2	5.5	4.9	5.2
Canada	1.6	1.9	-5.3	6.1	4.2	2.3	1.9	0.7	2.9	2.4	2.0
NZ Trading Partners	100.0	3.4	-1.8	6.1	4.6	3.6	2.0	1.3	2.1	2.1	2.1
Forecasts for New Zealand											
Consensus		2.4	-2.9	5.6	2.8	2.6	1.6	1.7	3.0	2.3	1.9
BNZ Forecasts		2.4	-2.9	3.7	4.3	1.9	1.6	1.7	3.3	2.9	2.5
The World		2.5	-3.3	5.8	4.4	3.4	2.7	1.9	3.2	2.7	2.6

Rate hikes still expected

Despite Auckland entering a record fifth week of hard lockdown and signs of waning inflation pressures overseas, the **Reserve Bank is still expected to push ahead with two rate hikes before the end of the year.**

Economists see a 25 basis point hike on Oct 6 and another one on Nov 24 when the central bank releases its final full Monetary Policy Statement for the year. Markets currently see a 40% chance of a 50 basis point hike in less than three weeks.

ANZ, ASB and Kiwibank all lifted their mortgage rates this week in anticipation of the tightening.

These hawkish views about the economy running above capacity and generating inflation pressure were reinforced by much-stronger-than forecast GDP growth in the June quarter, and continued surprising strength in house price inflation.

GDP rose 2.8% in the quarter, the third fastest on record after the Sept quarter of 2020 and the Sept quarter of 1999. The brief opening of the Australian travel bubble boosted activity in the quarter, along with strong retail spending and employment growth.

Economists had expected growth of 1.1% and the RBNZ had forecast 0.7%, in August.

The two-year government bond yield jumped late on Thursday by almost 80 basis points to 1.12%, near a two-year high. The NZ dollar rose almost a cent to 71.4 USc yesterday, before easing back in overnight trade, with expectations of hikes lower offshore.

Economists see GDP falling 6-7% in the Sept quarter, before a 9-10% rebound in the current Dec quarter, assuming Auckland's lockdown ends soon.

Most economists see the OCR peaking around 1.5-2.0% by 2023. Retail card spending fell 19.8% in Aug as the country went into lockdown in the second half of the month, Stats NZ said.

Well ahead of the rest

However, that sharp tightening over the next 18 months would put NZ firmly at odds with other central banks, including Australia's Reserve Bank and the US Federal Reserve.

The world's largest economy reported this week its core consumer price inflation was coming off the boil, as its central bank has predicted repeatedly this year in the face of those fearing a 1970s-style blowout in inflation.

US core inflation was weaker than expected at 0.1% in the month of Aug, the smallest increase since February and lower than economists' forecasts for 0.3% core monthly inflation.

Meanwhile, **RBA governor Philip Lowe** said in a major speech this week **he didn't expect to raise rates there until 2024**. **He cited still-weak wage inflation at 1.7%** in the last year, well below the 3%-plus he wanted to see.

Housing market unstoppable

House prices continued to rise during Aug, including two weeks of lockdown conditions. Agents reported buyers used their spare time in lockdown to hunt for increasingly scarce properties.

School holiday spending plans were replaced by moves to find deposits and bid for houses online. Economists said house price inflation had, if anything, accelerated in the last three months, despite the government's March package and the RBNZ's tighter lending restrictions from Oct 1.

The **REINZ House Price Index rose 31.1% in the year to August and 5.4% in the last three months**, implying an annualised inflation rate still over 20%.

Prices rose 2% in Aug, half of which was in lockdown. Inflation was **stratospheric in some cities.** Prices are up 56.1% in the last year in Palmerston North and 40.5% in Wellington City.

NZ's house price inflation rate was second only to Turkey's in the last year, a **Knight Frank** global house price index found.

Lockdown hits traffic, sales

Some of the freshest 'realtime' data shows the NZ economy slowing sharply in the first four weeks since lockdown started on Aug 17, but **not quite as much as last year's first lockdown.**

ANZ's heavy traffic index was 18% lower in Aug than July. The volume of light traffic fell nearly 28%.

Payments processed by Paymark through merchants in the core retail sector were down 34% to $975m in the 14 days ending Aug 31, versus the same 14 days in 2020. This is not as heavy as last year's lockdown.

ANZ's internal card spending data on hospitality showed **a shorter slump in spending this time**, with a more rapid rebound in spending. ANZ saw **this year's lockdown cutting GDP 6-7% in the Sept quarter, vs the 10% fall in the June 2020 quarter.**

The Business NZ-BNZ Performance of Manufacturing Index, released this morning, fell sharply into negative territory, registering 40.1, where 50 represents neutral conditions.

Anecdotal evidence suggests fewer landlords are reducing commercial office rents in this lockdown.

Banks, insurers and fund managers

The **NZ Super Fund** reported its best ever annual return this week. Its fund grew $15b in value to $59.8b in the last year, delivering a return of 29.63%. It paid $2.3b of tax back to the government on its income from dividends and capital gains, more than offsetting the $2.1b of contributions from the government over the last year. **Since its foundation in 2003, the fund has grown to $59.8b, with net contributions from taxpayers of just $12.4b.**

The **Reserve Bank** received a compliance notice from the **privacy commissioner** concerning the cyberattack the bank suffered in Dec 2020. The notice, the first to be issued under new powers given in the Privacy Act 2020, gives the bank a reporting template designed to detail how it has improved its policies and procedures and the security of its IT systems.

ANZ and K**iwibank** were affected by DDoS cyber-attacks last week, with Kiwibank yet to restore online banking services fully.

Insurers reported early claim figures for the **July 16-19 storms on the West Coast** showing 5,207 claims for $122m in damages.

Southern Cross Health Society reported a net surplus of $52.5m for the year to the end of June, up 62% from a year ago. Just $10m of that was from operations. The rest was from investment gains. Annual revenues rose to $1.28b from $1.15b.

Energy and resources

Confusion, miscommunication and electricity demand reduction notices which bore little resemblance to reality were all factors in the unprecedented **power blackouts on Aug 9**, the **Electricity Authority** has found in an initial review, which **sheeted much of the blame to Transpower.**

Greenhouse gas emissions from the electricity sector rose to their highest level since 2008 in the June 2021 quarter, reflecting low hydro lake storage levels and tight gas supply requiring greater use of coal to generate electricity. Hydro generation fell 5%, while electricity generated from gas fell by 13%. **Coal usually makes up around 6% of the generation share, but contributed more than 12% this quarter.**

Plans to build NZ's first major commercial solar farms took another step with **Lodestone Energy** agreeing conditional terms for a $150m debt facility with **Westpac**, which makes up half of its required funding to build **five solar farms in the Far North, Coromandel and Bay of Plenty.**

The government is at last moving to **abolish the low user tariff regime**, a mid-2000s scheme intended to assist low income households but whose value was greatest to small households and caused endless headaches for electricity retailer tariff-setting.

Flick Electric, which built its business on low wholesale spot prices and has been losing customers since spot prices became volatile, has launched off-peak products for consumers seeking electricity generated mostly from renewables.

Primary sector, food and beverages

Dairy sector revenues are expected to be strong in the just-started new season. BNZ lifted its 2021/22 milk price forecast to $8.30/kg from $7.80/kg. **Fonterra is forecasting $8/kg** and farmers are expected to supply 1,525m kgMS in the current season,, slightly below last season's 1,539m kgMS. **Rabobank lowered its NZ farmgate milk price** for the current season, citing lower demand from China. It cut its forecast 20c/kg to $7.80/kg.

The **CQuest Forestation and Carbon Investment Fund** is seeking an initial $15.2m to buy up to 1,500ha to plant in pine trees to farm carbon credits as the **ETS**'s carbon prices rise over $60/tonne.

Skilled migrant dairy farm workers are being lost to Australia as a new agriculture visa opens a two-year pathway to residency.

One-way quarantine-free travel for recognised seasonal employer workers from Samoa, Tonga and Vanuatu starts in Oct. Several incoming flights were deferred in Aug and Sept due to the latest outbreak.

Synlait Milk is looking to cut 15% of its 1,000 staff to generate savings of around $10m to $12m annually after a year of tough trading.

The **wine industry** is bracing for two consecutive years of falling export revenue due to tight grape supplies. Latest industry figures show in the year to June, **export value was down 3% to $1.87b, the first fall in export value in 26 years.**

Seeka is looking to buy Northland kiwifruit business **Orangewood** in a $6.55m transaction.

Olam Food Ingredients plans to build a dairy processing facility in Tokoroa with talks underway with farmers for supply agreements.

The largest of 12 **Ikea** franchisees, **Ingka Group**, has been given approval by the **Overseas Investment Office** to buy 5,500 hectares of land in the South Island as part of its forest management portfolio.

Taupō dairy processor **Miraka**, state-owned **Pāmu** and Māori-owned dairy processor **Waiū Dairy** are cooperating to maximise production potential.

Property

Stride Property is carving out 10 office buildings into a new standalone entity it will list on the NZX next month, raising at least $250m in just the thirdIPO this year.

Specialist early childhood education property fund **NZ Daycare Properties Fund** paid $4.2m for its first property in Hamilton.

Retail and wholesale

Former **Hallenstein Glasson** MD **Mary Devine** was appointed **ceo** of **Foodstuffs South Island**.

Briscoe Group posted a record half-year profit after tax of $47.5m vs $27.9m in 2020 after sales rose during a year of covid-19 from $292m to $358.4m. It estimated the latest lockdowns cut sales by $17m.

Tech, telcos, media, IT and entertainment

Rocket Lab's first result after listing on the **Nasdaq** showed a net loss for the six months ended June 30 of US$32.5m, despite a 237% rise in revenues. The loss was up 39% from US$23.8m a year ago. However, the Rocket Lab share price hit US$20 after lacklustre early trading.

Out of Home Media Association Aotearoa said outdoor advertising reach was down by 62% in Auckland, 52% in Wellington, and 68% in Christchurch during the level 4 lockdown.

Transport and logistics

ChargeNet's capital raising from Swiss-based **Mercuria,** which now owns 20% of the family-owned company, will allow an estimated $18m spend on new and upgraded electric vehicle charging stations.

Drivers' licences, warrants and certificates of fitness, registrations and licence endorsements that expired on or after July 21 can be used until the end of Nov, the **Ministry of Transport** said.

Ports of Auckland cited tough pandemic conditions as it cut annual dividends to the **Auckland Council** by $1.2m, to $3.7m, for the year to June. Last year, it slashed its dividend by three-quarters to $4.9m, from a pre-covid dividend in Dec 2018 of $18.6m.

Air NZ and **Airbus** have teamed up to look at the potential of hydrogen-powered aircraft.

Capital Markets

Pacific Edge said information released by the **Australian Stock Exchange** about a large capital raise was incorrect and had been withdrawn. The report suggested the company was looking to raise A$70m (NZ$72.8m) at A$1.20/share via an ASX listing.

Electric motorbike builder **UBCO** plans to raise $40m in a funding round that would value the company at $140m ahead of a **Nasdaq** listing in the longer term.

Responsible investment assets have grown at twice the rate of managed funds overall, a report has found, but not all are meeting the highest standard. A study by the **Responsible Investment Association Australasia** found 43% of managed funds operate in line with "leading practice responsible investment".

A2 Milk's is being dropped from the S&P ASX 50 on Sept 20 with its market capitalisation dropping to A$4.26b, below the A$5b threshold.

Corporate actions

Bridgecorp was struck off the Companies Register.

Courts, legal and regulation

A frontline border protection officer who was fired after refusing to get vaccinated lost her case. The **Employment Relations Authority** found **Customs NZ** was justified in dismissing the unvaccinated worker at the end of April.

The long-running **Mainzeal** case will have its day in the **Supreme Court** after leave was granted for appeals and cross-appeals by both directors and liquidators of the failed construction firm.

People news

The **Financial Markets Authority** appointed **Samantha Barrass** to take over from **Rob Everett** as ceo. The New Zealander, who worked at the **RBNZ**, has spent most of her career in market regulation, with nine years at the **Financial Services Authority** in the UK. Between 2014 and 2019, Barrass served as the ceo of the financial regulator in Gibraltar.

Reserve Bank deputy governor **Geoff Bascand** will leave the Reserve Bank early next year.

Ryman Healthcare appointed **Richard Umbers**, a former **Progressive Enterprises** managing director, as its new ceo to succeed **Gordon MacLeod** from Oct 25.

Vodafone finance head **Tom Gordon** will become SkyTV cfo on Dec 15. Interim SkyTV cfo **Andrew Hirst** will head back to **Deloitte.**