

Careering towards the Nov 29 traffic lights

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The government is speeding up towards a decision to open up Auckland and possibly the rest of the country from Nov 29, but may be forced by a painful combination of politics, vaccine hesitancy and a widening delta outbreak to start loosening for summer before the outlying DHBs are anywhere near their 90% double-vaxxed targets. Coherence in decision-making is breaking down accordingly.

Restive electorate drags Labour down to around 40%

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Three opinion polls show the toll of ongoing lockdowns, restrictions on social activity and traffic through the borders is coming home to roost on Labour's popularity. What had been solid support over 45% has sagged towards 40% in recent weeks. No wonder resolve on covid controls is weakening.

Ashley Bloomfield's Ministry in the cabinet dogbox

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A month ago we wrote Ashley Bloomfield may still have the public audience's affection from all the soothing and assured 1pm news conferences, but that behind the scenes he is losing the support of key ministers. There was more evidence as to why this week.

Kāinga Ora in the minister's bad books over ad campaign

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Megan Woods backed away from supporting Kāinga Ora after it emerged it had funded an ad campaign last year that highlighted the community building skills of Arena Williams, a soon-to-be Labour candidate (and then MP) for Manurewa. Ceo Andrew McKenzie was forced into an embarrassing backflip after his minister described the agency's actions as unprofessional.

Inflation heat driving RBNZ towards 50 bps hike

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Faster-than-expected price inflation in NZ, Australia, China and the United States has ramped up wholesale interest rates and increasing market expectations the Reserve Bank will pull the trigger on a 'double' rate hike of 50 basis points on Nov 24.

Commission eyes supermarkets carveup at the least

In the last section of its hearings on the supermarket sector, the Commerce Commission gave its strongest signal yet that a voluntary code of conduct and relinquishment of land covenants to prevent rival developments won't be enough to satisfy competition concerns. The commission signalled that, at the very least, operational separation of their wholesale and retail arms would be required.

Treasury, ministers eye Budget rules for climate spending

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Grant Robertson and James Shaw are nudging Treasury to take another look at how spending on longer term investments for intergenerational purposes is accounted for ahead of Budget 2021, which the government has previewed as being focused on climate investing.

Summer of covid - inevitable?

The government faces its **biggest, toughest and riskiest decision this term** on Nov 29 when it has to decide whether to loosen restrictions for both Auckland and the rest of the country in a way that admits **a contained pandemic will become endemic if the society and economy is to open up for summer.**

Neither the delta strain nor the politics are cooperating to make the decision easier. Cabinet faces having to decide to relax restrictions on hospitality and travel with case numbers in the hundreds and the public health system creaking.

In the 'old' covid elimination period, relaxing restrictions with more than 100 cases in hospital and a dozen-plus in ICU would have been unthinkable.

But **Auckland's businesses and voters are at the end of their tether** after nearly three months in lockdown. The prospect of summer appears so close, but still so far away when **all three Auckland DHBs now not expected to hit the government's 90% double vaxxed target until well into Dec.** The outlying laggard DHBs of Tairāwhiti, Northland, Whanganui, Lakes and Bay of Plenty are unlikely to get over the 90% mark until well into Jan, and possibly even Feb.

Sticking to the letter of the thresholds would mean the government couldn't open up either Auckland or the rest of the country until much closer to Christmas, or at all, but **Jacinda Ardern, Grant Robertson,** and covid-19 Minister **Chris Hipkins** have **increasingly used the 'pragmatic' word** in previewing the decision. Ardern has always left open the option of opening up if vaccination rates were close to the 90%, but not quite there.

The width of that required 'pragmatism' has grown in recent days as the pressure from an exhausted Auckland and the logistical weight of managing tens of thousands of internal border crossings a day has landed on the machinery of government.

The covid kitchen cabinet of Ardern, Robertson,

Hipkins and Health Minister **Andrew Little** have looked their **most ragged of their four years in government in the last week.** The prospect of checkpoints ringing Auckland and policing the vaccination status of tens of thousands of holiday travellers forced a series of contortions as the logistics dawned on ministers.

Hipkins suggested an MIQ-style system of time slots could be used, before Robertson said that was not practical. Little admitted the **health system was not ready to have hundreds of covid cases isolating at home** to take pressure off the hospital system. This followed three deaths of covid-positive people at home, although the exact causes of their deaths has yet to be determined.

Meanwhile, **Ardern was forced to use indoor venues for regional and Auckland vaccination promotion visits** because of growing protest against covid restrictions.

She **floated the idea of opening up Auckland and the rest of the country at the same time to avoid the internal borders and encourage more vaccination,** given the 'traffic lights' system cordons off much of public life to the vaccinated.

Labour hit in the polls

The pressure is taking its toll in political terms with three polls in the last fortnight showing softening support for **Labour,** in tandem with concerns about the covid response.

A **Talbot Mills Research** (formerly UMR) poll showed Labour has dropped by 5 points to 41% in the past month – its lowest result since Jan 2020. (See chart on next page).

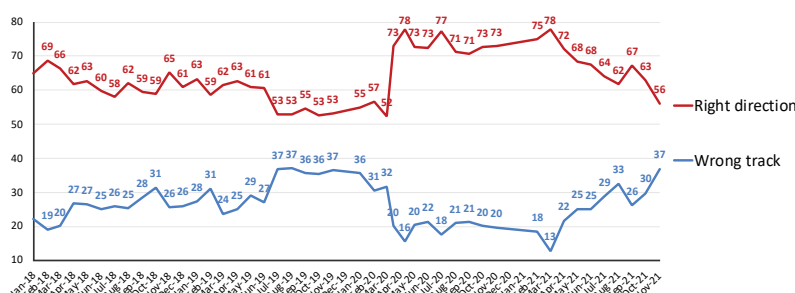
The combined centre-right vote of 50% was still ahead of **National** and **ACT** on 41%, but a firming of support for NZ First and Māori Party is making the equation too close for comfort for the govt.

National was on 24% up 2 points, ACT 17% (up 2), Greens 9% (up 2), NZ First 4.2% (up 0.4) and Māori Party 2.4% (up 0.5).

A **Curia** poll taken for the Taxpayers Union showed Labour had fallen six points to 39%, while National was up four points to 26%. ACT was down one point to 16%, the Greens up 2 points to 8.6% and Māori Party up one point to 2.3%. In the Curia poll, Ardern fell 13 points as preferred PM to 34%.

The Mood

Q: Generally speaking, are things in New Zealand heading in the right direction or are they off on the wrong track? (%)



In the Talbot Mills poll, Ardern remained well ahead of anyone else as preferred PM on 47%, but down from 51% in last month's poll. Those who rated the government's handling of covid as good had dropped from 60% in Oct to 46%, while those who rated it as poor had risen from 16% to 26%.

A Roy Morgan poll recorded Labour on 39.5% (down 6 points from Sept), National 26% (+3), Greens 10.5% (+1), ACT 16% (nc), Māori Party 2% (nc) and NZ First 2.5% (+1). Those who said the country was heading in the right direction were down 9 percentage points to 48% and the wrong direction was 38.5% (+6.5). The poll was taken throughout Oct.

Health Ministry in the dogbox

Ashley Bloomfield's leadership of a creaking Ministry of Health is in the spotlight in various parts of cabinet after a series of setbacks, delays and apparent reluctance to either follow outside advice, adopt outside systems, or abide by the rulings of the High Court.

The Ministry is the focus of multiple complaints and frustration across the business and Māori communities and a growing narrative among its critics that the agency is **hidebound and insular**.

There was serious criticism from the **Office of the Auditor General** over the Ministry's awarding of a \$60m saliva testing contract to existing supplier **Asia Pacific Healthcare Group (APHG)**.

The OAG's report included findings of multiple poorly managed conflicts of interest, no formal procurement plan, and a failure to properly appoint a probity auditor.

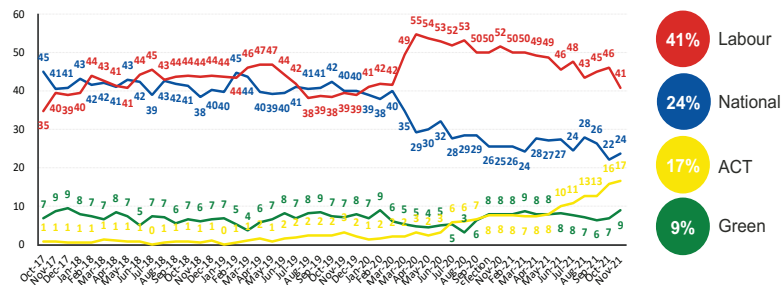
The former policy-only ministry has also been under the pump over a slow process to allow the use of off-the-shelf covid testing kits and on-site tests by employers.

Also, there have been angry and repeated complaints from **Whanau Ora Commissioning Agency** head John Tamihere about the Ministry's refusal to hand over data needed to find unvaccinated iwi members. The agency eventually had to take the Ministry to the High Court, which encouraged release. Bloomfield declined, continuing to cite privacy considerations.

The discontent percolated into the open in the last week when senior ministers such as Peeni Henare

The vote – monthly tracking

Q: Thinking about your party vote only, if the general election were held today which party would you vote for? (%)



and Willie Jackson expressed their displeasure in public.

"I have given him my view. They should be given the information. But Dr Bloomfield does what Dr Bloomfield does," Jackson was quoted as saying.

Health Minister Little was also less than totally supportive, saying he expected the data to be released and disclosing the battle had cost the Ministry \$72,000 in legal fees.

It's getting tight

The government is cutting it very fine on the logistics to be ready to move into the 'traffic lights' system from Nov 29.

Leader of the House and covid-19 minister Chris Hipkins confirmed this week that the **enabling legislation for a range of vaccination mandates and the processes around using certificates will not be introduced in Parliament until Nov 22**.

That leaves a week for the detail of the changes to get through an urgency process in Parliament and then percolate out to businesses, HR managers, site managers and staff.

Then there's the process of getting the certificates onto everyone's phones and printed out for reading by QR code-reading apps. The **heavy lifting of the software for this process is in the hands of the ministry's IT team**. Hipkins says they have delivered on time in the past and will do so again.

So far, fewer than a quarter of double vaccinated NZers eligible for vaccine certificates have signed up to My Covid Record, the online platform that will issue the certificates this month.

Eventually anyone over 12 will need to provide proof of vaccination to enter venues that require it. The ministry website says people aged 12 and over will be able to

Coming up

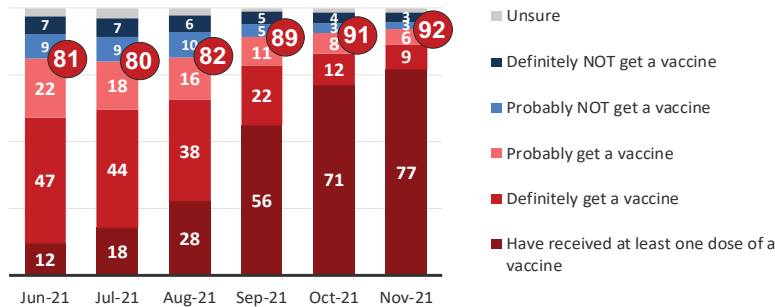
Nov 15 - Cabinet expected to detail rollout of vaccine certificates after a week of user testing

Nov 22 - Cabinet decisions likely on further vaccination mandates, including for Police, MSD, Kāinga Ora, Oranga Tamariki.

Nov 29 - Cabinet decision on whether to shift Auckland and the rest of NZ to the 'traffic lights' system of controls.

Willingness to be vaccinated

Q: Thinking about vaccines to prevent Covid-19, do you think you will... (%)



the gears towards a review of Budget rules for a zero carbon world. In particular, they'll be looking at whether the current conventions on departmental operating allowances are fit for purpose when investing for longer terms across multiple ministries.

Robertson has indicated Budget 2022 will be focused on investments in infrastructure and incentives

create a My Covid Record account "from mid-Nov."

On the plus side, Talbot Mills polling (above) shows growing willingness to be vaccinated among the most sceptical.

Kāinga Ora in the dogbox too

Housing minister Megan Woods has chastised officials for undertaking to deny knowing someone featured in government-funded advertising was a Labour party candidate.

Kāinga Ora emails obtained by the National party under the Official Information Act reveal an official told the candidate, Arena Williams (now an MP), "we can just act as though we don't know anything!", when discussing her political affiliations and its advertising campaign.

The emails showed that within three days of approaching Williams, Kāinga Ora was aware of Williams' pending candidacy as well as her concerns the advertising would be seen as electioneering.

Public Service Commission chief Peter Hughes announced an investigation into the incident.

Treasury reviewing rules

The seventh floor of the Beehive - where Grant Robertson is located - and Treasury are grinding

to reduce climate emissions by as much as 50% by 2030, and ultimately reach net carbon zero by 2050.

James Shaw has also voiced frustration over the limits on current spending rules, which make spending across multiple ministries harder to plan and account for under the current operating allowance system.

They are also challenging the rules in the current Public Finance Act making it difficult for the Crown to borrow to invest in longer-term infrastructure, which under current practices usually takes a back seat to debt reduction.

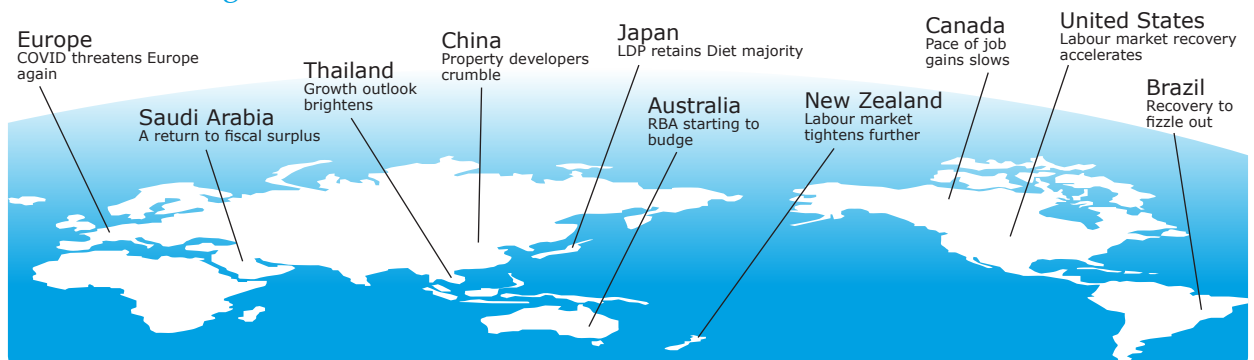
Treasury is understood to be examining the rules as part of the Budget 2022 process, which is now winding up.

Just briefly ...

PM **Jacinda Ardern** postponed a trip to Europe to support free trade negotiations later this month. "For a range of reasons, including the best timing of negotiations, this has been deferred to 2022," the PM's office said.

Foreign Minister **Nanaia Mahuta** makes her first overseas travel as foreign minister this week, including a trip to Washington to meet Secretary of State **Antony Blinken**. Mahuta will visit seven

The world at a glance



countries including a transit in Singapore, where she will meet foreign Minister **Vivian Balakrishnan**. The travel will also include Australia, Indonesia, the United Arab Emirates, Qatar and Canada.

The government pledged to reduce NZ's net greenhouse gas emissions by 50% from 2005 gross emission levels by 2030.

James Shaw made NZ's formal statement to the climate change conference in Glasgow as statistics show the continuing lack of progress in reducing local greenhouse gas emissions. Seasonally adjusted greenhouse gas emissions rose by 4.8% in the June 2021 quarter, following a 1.4% increase in the March 2021 quarter, Stats NZ said.

NZ joined some 40 other countries making international pledges to **phase out coal-burning for electricity generation in the next 10 to 20 years**. Signatories also committed to ending all investment in new coal power generation domestically and internationally. Slightly problematically, analysis for Meridian Energy suggests that **a small, coal or gas-fired peaking capacity is almost certainly the lowest cost way for NZ to ensure medium term security of electricity supply**. Even **EECA ceo Andrew Caseley** has backed that view, telling a Meridian breakfast briefing that while his **view was "probably career-limiting"**, thermal back-up for the last percentage point or so of electricity supply seemed justified, compared with the \$4b-plus cost of the Onslow pumped hydro advocated by Meridian founder CEO Keith Turner.

EECA drew some fire this week for using government funds on a climate change advertising campaign urging New Zealanders to be on 'the right side of history'.

Foreign Minister Nanaia Mahuta says the **new Pacific focus is on building resilience to combat climate change and growing financial dependence on international donors**. Mahuta announced a transition from the Pacific Reset to a focus on building resilience. The Pacific had become a "theatre of interest" and required clear focus, she said. There were also concerns with "the way investment in the Pacific is occurring", Mahuta said in response to questions around China's influence in the region.

Meanwhile, **planning is under way to create a new NZ national security bureau**, building on the threats identified as a result of the 2019 mosque attacks and indications of far right radicalism that have been apparent in recent protests against covid restrictions.

Another NZ Air Force P-3K2 Orion aircraft is being deployed in support of UN Security Council sanctions on North Korea.

Research into **how NZ is perceived by major trading partners** suggests strong opportunities for exporters and tourism operators by targeting Australia. Conducted by The NZ Story, the research highlights that NZ's 'tyranny of distance' problem has been sharpened by the pandemic. Global supply chain disruption is creating focus on nearby markets, while fears about travelling too far from home are affecting views of NZ as a tourism destination.

Trading partner growth

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

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
China	36.2	6.0	2.3	8.2	5.5	5.4	2.9	2.5	1.2	2.1	2.2
Australia	15.4	1.9	-2.4	3.6	3.6	2.9	1.6	0.8	2.5	2.0	2.1
United States	12.6	2.2	-3.4	5.7	4.1	2.5	1.8	1.2	4.4	3.4	2.5
Japan	6.4	0.7	-4.7	2.3	3.0	1.3	0.5	0.0	-0.2	0.5	0.7
Eurozone	5.4	1.3	-6.5	5.1	4.4	2.2	1.2	0.3	2.3	2.0	1.5
South Korea	3.4	2.0	-0.9	4.1	3.2	2.5	0.4	0.5	2.1	1.7	1.6
United Kingdom	2.8	1.7	-9.7	6.9	5.1	2.0	1.8	0.8	2.3	3.3	2.5
Singapore	2.1	1.3	-5.4	6.5	4.4	3.3	0.6	-0.2	1.8	1.4	1.4
Hong Kong	2.2	-1.7	-6.1	6.6	3.4	2.8	2.9	0.3	1.8	1.9	1.9
Taiwan	2.4	3.0	3.1	6.1	3.3	2.8	0.6	-0.2	1.8	1.6	1.4
Malaysia	1.8	4.4	-5.6	3.8	5.7	5.0	0.7	-1.1	2.4	1.9	2.3
Indonesia	2.3	5.0	-2.1	3.3	5.1	5.3	2.8	2.0	1.7	2.8	3.4
Thailand	1.8	2.3	-6.1	0.9	4.1	4.6	0.7	-0.8	1.0	1.3	1.3
Philippines	1.2	6.1	-9.6	4.2	6.8	6.5	2.5	2.6	4.3	3.3	3.2
Vietnam	1.6	7.0	2.9	2.3	7.3	7.0	2.8	3.2	2.4	3.4	3.5
India	0.9	4.0	-7.3	9.2	7.6	6.3	4.8	6.2	5.5	4.9	4.8
Canada	1.4	1.9	-5.3	5.1	4.1	2.5	1.9	0.7	3.1	2.7	2.2
NZ Trading Partners	100.0	3.5	-1.6	5.8	4.6	3.8	2.0	1.4	2.0	2.2	2.1
Forecasts for New Zealand											
Consensus		2.4	-2.9	5.0	3.5	2.5	1.6	1.7	3.1	2.5	2.1
BNZ Forecasts		2.4	-2.1	3.3	5.5	1.6	1.6	1.7	3.9	4.3	2.5
The World		2.5	-3.3	5.7	4.4	3.7	2.7	1.9	3.3	3.0	2.9

Growing chance of big rate hike

Mounting inflationary pressures from **snarled-up supply chains and a tight-as-a-drum labour market** are building to a crescendo as the Reserve Bank considers how big its next rate hike will be.

Financial markets are pricing in a 40% chance the bank will hike the OCR by a full 50 basis points when the Reserve Bank releases its last Monetary Policy Statement for the year, on Nov 24.

It will be the bank's last chance to move the OCR until Feb 23 and also comes with a news conference and a round of briefings for the market, which would allow a bigger move to be explained more fully.

Pricing pressures are intense, with inflation rates hitting 30 year highs over 6% in the United States and the prospect of a similarly high rate here early next year.

The labour market is also hot, increasingly because many potential workers face tough decisions over vaccination mandates.

Recruiters see signs that as **borders reopen**, the pull from higher waged, lower living cost Australia, in particular, will **worsen skills shortages**.

Sept quarter jobs figures were much stronger than expected.

The unemployment dropped to 3.4%, its lowest rate in nearly 14 years, in the Sept quarter. It was 4% in the June quarter and 5.3% in Sept 2020.

The underutilisation rate was 9.2%, down from 10.5%, the lowest since

mid-2007. Hours worked and average earnings, with annual wage growth at 2.5%, were the highest since mid-2009.

Filled job numbers in Sept showed a 0.3% monthly increase of nearly 5,700 jobs. Stats NZ said this growth was slower than in recent months, but there have been eight months of uninterrupted growth.

There was a **2.3% increase in the monthly earnings per filled job**, with year-end earnings up 5.8%.

Construction job growth accelerated 7.8% in the year ended Sept, adding 14,115 workers.

Professional service and health sector employment was also strong, (up 7.2% and 6.3% respectively), and even the accommodation and food services sector grew.

Housing market won't lie down

House price inflation accelerated to a monthly

rate in October of 3.3% from 2.0% in Sept despite higher mortgage rates, more restricted lending rules, tougher rental accommodation standards, the government's tax deductibility 'shock' and zero net migration.

The **REINZ House Price Index in Oct was up 29.9% from a year ago**, including a 3.3% rise in the month of Oct from 2.0% in the month of Sept.

Meanwhile, the Reserve Bank rejected accusations it is responsible for the 30% plus explosion in house prices over the last 18 months.

The bank said it was **only a 'bit player'** in a market bedevilled by supply side problems and tax advantages it was not responsible for fixing.

Governor **Adrian Orr** used a long speech to gently throw the blame back to the government and councils.

They had allowed or created the land, labour and building materials shortages that made it difficult for housing to respond to demand shocks.

The speech came out just before the bank's half-yearly Financial Stability Report, where the bank gave more detail on its view that house prices are unsustainable and likely to nudge lower some time in the medium term.

Just briefly ...

Credit and debit card spending was up \$645m (9.5%) in Oct, compared with last month. Stats NZ said the increase indicates spending is starting to return to levels seen before lockdown in the second half of Aug. The increase in the seasonally adjusted electronic card spending in Oct is the largest since June 2020.

The ANZ-Roy Morgan Consumer Confidence survey dropped 7 points from Sept to 98 points. A score below 100 points indicates consumer pessimism.

Westpac is now forecasting the official cash rate to rise to a peak of 3% by mid-2023, from its current level of 0.5% with "a reasonable case" for a 50-point hike in Nov.

The ANZ World Commodity Price Index lifted 2.1% in Oct, above its previous record high. Dairy and aluminium delivered strong gains.

Food prices fell 0.9% in Oct 2021 compared with Sept 2021, mainly influenced by lower prices for fruit and vegetables, non-alcoholic beverages, and meat, poultry, and fish, Stats NZ said. Oct's movement is the first monthly fall since Feb 2021, when prices also fell 0.9%. After adjusting for seasonality, prices fell 0.1% in Oct 2021. 📊

Coming up ...

Nov 24 - The **Reserve Bank** is scheduled to publish a Monetary Policy Statement and hike its cash rate at least 0.25% to 0.75%.

Dec 16 - **Sept Qtr GDP data** is scheduled to be released. Economists expect a fall in GDP due to the latest covid lockdowns, before a small rebound in the Dec Qtr.

Banks, insurers and fund managers

Westpac NZ lifted annual net profit 69%, boosted by the reversal of \$84m of charges against profits for bad debts caused by covid. It reported a \$931m net profit for the year ended Sept, up from the \$550m net result reported for the previous year. Core earnings before charges rose 9% after costs grew at a slower 7% pace, with mortgage lending up 10% at \$60.9b. Business lending fell 3% to \$31b.

BNZ lifted annual net profit 74% and attributed the improvement to the NZ economy bouncing back, the write-back of covid provisions, and one-off profits. The bank reported a \$1.32b net profit for the year ended Sept, up from \$762m the previous year. The bank wrote back \$37m of charges against profit for bad debts vs last year's \$300m charge.

Kiwi Group Holdings, the parent of **Kiwibank**, is selling its life insurance business to **nib** for \$45m. As part of the deal, Kiwibank will refer its retail customers to nib for insurance.

Simplicity is putting \$100m into the first phase of a major new build-to-rent scheme with **NZ Living**. The plan is to build 10,000 homes worth \$5b over a decade, with Simplicity managing and owning the apartments as a bond-like investment for decades.

Manufacturing and construction

Steel & Tube's revenue rose 14% in the first four months of the current financial year from a year ago. It reported a net profit of \$16.1m for the year ended June, a turnaround from the \$60m net loss the previous year.

Fulton Hogan lifted annual net profit 30% to \$289.2m from \$222m the previous year.

Property

Precinct Properties provided \$10m worth of rental relief to its struggling retail and restaurant tenants, many at Commercial Bay on Auckland's waterfront, with abatements tracking at about \$500,000 a week since mid-Aug.

Property for Industry is buying **T&G's** post-harvest operations property in Hawke's Bay, including a packhouse, two cool stores, warehouses and 3.7ha of storage yard for \$79.5m. T&G will lease it back.

Investment property valuation gains accounted for the bulk of the \$570m before tax profit for **Goodman Property Trust** for the half year to Sept 2021. Valuation gains of \$504.7m took the trust's total investment portfolio to \$4.33b, which includes 11 existing industrial properties and active developments across a further 10 projects.

Primary sector, food and beverages

Fonterra is moving ahead with a shareholder vote on changes to the cooperative's capital structure, and the revamped proposal would see a version of the **Fonterra Shareholders' Fund** survive. Voting will open Nov 18 and a special meeting will be held after Fonterra's annual meeting on Dec 9.

Tegel Foods is considering further price increases next year as labour, feed, energy and supply chain costs continue to increase. The country's largest poultry producer lifted chicken prices by 10% in Aug.

Wools of NZ and Primary Wool Co-operative shareholders voted in favour of a proposed merger.

Retailing and wholesaling

Briscoe Group's third-quarter sales fell 14.1% due to the latest covid lockdown but the company still expects to meet its forecast for annual net profit to be higher than last year's \$73.2m and up to \$85m.

Supermarket startup **Supie** raised \$2.5m in an oversubscribed seed round led by Icehouse Ventures and supported by Enterprise Angels.

Kathmandu said its store sales were significantly impacted by ongoing covid restrictions in Australia and NZ and first quarter operating profit is likely to be down about \$35m on the same quarter last year.

Service industries and healthcare

The US medical regulator accepted an application for **AFT Pharmaceuticals'** pain relief medicine Maxigesic IV.

Tech, telcos, media, IT and entertainment

The next chapter in the saga of where the next **America's Cup** regatta is held will play out next week when race protocols are due to be released. A Sept 17 'deadline' for venue selection was missed and this is the next opportunity. Team NZ has not reacted to media reports that the **Serious Fraud Office** is investigating issues relating to the conduct of the last campaign.

Xero reported a first half net loss of \$5.9m, down from a \$34.5m profit in the same half a year earlier, because of covid. But the online accounting firm grew its gross margin and subscriber numbers rose 23%.

MediaWorks is launching a new talkback radio brand to replace **MagicTalk**, hiring **Newshub** political editor **Tova O'Brien** to host its breakfast show.

NZ's top 200 tech exporters by revenue made \$13.9b in 2021, up 11.5% on 2020, with \$10.4b of that made overseas. Domestic sales by the 200 companies were down on 2020, with 25.5% of revenue made in NZ,

CORPORATE ROUND-UP

and the rest spread across Europe (13.1%), Australia (25.7%), North America (22.5%), Asia (7%), and 6.2% in the rest of the world.

Pushpay Holdings shares slumped after its first-half result failed to meet analysts' expectations in most key areas. The church collections software company's revenue climbed 9% to US\$93.5m in the six months ended Sept 30, but this was shy of **Forsyth Barr's** forecast for more than US\$100m.

Potentially more concerning than slightly soft financial numbers was the meagre progress reported in key growth areas.

Hawaiki announced plans for a new 22,000km cable system linking South-East Asia, Australasia, and North America.

Nasdaq-listed **Unity** bought **Weta Digital's** technology unit for US\$1.63b (NZ\$2.28b) from **Peter Jackson**. Unity, a platform for creating and operating interactive, real-time 3D content said it has entered into an agreement to acquire Weta Digital in a deal involving US\$1b in cash and the rest in stock.

2degrees reported Sept qtr revenues rose 8% to US\$127m (NZ\$179.7m) from a year ago, while ebitda rose 3% to US\$30.6m. The mobile and broadband network operator also delayed its 5G launch into 2022 from 2021 because of covid. The telco is in talks to merge with **Orcon**.

Transport and logistics

Mainfreight beat analysts' profit forecasts, reporting net profit after tax of \$182m. It said air and sea freight revenues rose in all regions due to higher freight rates and an increase in freight tonnage because of market share gains and high consumer demand.

The government should ditch managed isolation and quarantine for fully vaccinated NZers returning home and announce a 2022 border opening date sooner rather than later, outgoing **Auckland International Airport** ceo **Adrian Littlewood** said.

The **Let's Get Wellington Moving** project released four options for mass rapid transit with a variety of light rail and bus, new tunnels and road arrangements.

The preferred option for Auckland's airport rapid transit is a hybrid light rail and light metro option that will cost \$14.6b to construct.

Port of Tauranga forecast net profit of between \$103m to \$110m for the year ahead. It reported a net profit after tax of \$102.4m for the year to June with total trade up 6.9% to 6.8m tonnes in the Sept quarter.

Originair suspended flights to and from Hamilton until Dec 19 after receiving advice on when the lockdown may end.

KiwiRail's board is reported to be weighing up a workplace culture review following the departure of several key executives. It follows negative media reports about the leadership style of KiwiRail chief executive and former board chair Greg Miller.

Capital Markets

TradeMe's private equity owner, **Apax Partners**, is considering bringing the online trading and ads business back to the **NZX** and **ASX** in a multi-billion float, an Australian newspaper reported. Apax bought TradeMe off the **NZX** for \$2.5b in 2018.

Vulcan Steel went public under the ticker code 'VSL' on the **ASX** and **NZX**, following a successful initial public offer to raise A\$371.6m (NZ\$387m) at A\$7.10 per share.

NZ-founded shoe maker **Allbirds** had a strong debut on the Nasdaq. Shares surged more than 80% on the issue price of \$US15 each, hitting a high of \$US27.55, and valuing the company at close to \$US4b.

Armstrong Group engaged investment bankers to begin preparing the car sales group for a possible dual listing and capital raising on the **NZX** and **ASX** next year.

NZX bought the management rights for **ASB's Superannuation Master Trust**, a \$1.8b retirement savings scheme that predated KiwiSaver and was used by state sector employers until 2008. **Smartshares**, an **NZX** subsidiary, has bought the management rights for the fund with \$25m in cash.

People news

Xero appointed **Alex von Schirmeister** as managing director for Britain, Europe, the Middle East and Africa, replacing **Gary Turner** who will leave the company at the end of this year after 12 years in the role.

Millennium & Copthorne Hotels managing director **Boo Keng Chiu** will leave the **NZX**-listed hotel group next July after 16 years in the job. 🇳🇿

