HUGOvision

Assessing the economic and political environment in New Zealand

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POLITICS AND POLICY

Six weeks or 16 weeks?

The govt faces a **prolonged period of political purgatory** through the peak and eventual subsidence of the omicron outbreak.

The **University of Washington's Institute of Health Metrics and Evaluation (IHME)** analysis that is being widely cited as a guide to its progress suggests the outbreak will peak in March, before subsiding in May.

The modelling suggests total hospitalisations of around 3,000, with tens of thousands of daily cases at the height of the outbreak and perhaps 400 extra deaths. The range around those numbers is large.

However, **what matters most to business owners and employees is how long the outbreak will disrupt workplaces and kill normal trading**. This is especially important to the retail, hospitality and entertainment sectors.

For any firm with a large workforce that needs to be at work – logistics, healthcare, transport in particular – the issue will be capacity to keep supply lines open.

Small businesses will be on the frontline of these stresses. They tend to face greater balance sheet constraints and less access to bank credit lines than larger firms, even without trading into a third covid-affected year. While wage and other subsidies have helped so far, along with raiding personal savings, the **prolonged covid effect may start to produce a spate of liquidations among SMEs this year**, was stressed owners give up or can no longer continue.

How long will 'the worst of it' be?

Crucial to the scale of the outbreak will be the personal behaviour of NZers**. Anecdotal evidence from Australia and Canada suggests the so-called 'shadow lockdown' effect could be relatively short-lived.**

In both those countries, people began resuming their 'normal lives' within about six weeks of omicron outbreaks occurring.

So, while there are perhaps 16 weeks to run from today until the tail-end of the expected outbreak, NZ businesses might reasonably hope that a similarly muted impact on trading may occur.

Militating against this, however, is the fact that **NZ has no previous experience of a major covid outbreak**. While the population is frustrated, exhausted and increasingly fractious about covid restrictions, the reality of thousands – potentially tens of thousands – of daily cases may take more getting used to than in countries where covid is already largely endemic.

Through this period, the govt will remain under intense political pressure.

As recent net favourability ratings show, **the shine is coming off an over-exposed Jacinda Ardern**, whose administration is increasingly being blamed for any setback created by the virus's inevitable mutations.

Business switching off permanently?

While the govt's responses are objectively defensible, the politics of being seen to have backed down under pressure on a 'cruel' MIQ system, to have commandeered RAT tests owing to health ministry disorganisation, and other mis-steps, are ugly.

Suspicion that the covid response is also being used as a **blunt instrument to permanently alter immigration settings** is not helping either. These fears may be overstated, but there is a an undeniable **bias against easing current labour market constraints** that is influenced by longer term immigration policy considerations.

The ongoing inability of both the ministry and key ministers to make best use of, or apparently understand, both the needs and the latent capacity of the business community to assist is **souring the govt-business relationship, probably irreparably.**

The rapid pace at which the covid response is having to adapt to omicron – a completely different virus for its transmissibility but relatively less lethal consequences – is also **hard for the public to keep up with.**

The **border opening** announcements, while taking some of the heat out of current hot button issues, is **still very slow and does nothing until mid-year for businesses reliant on the resumption of international tourism. The debate will fire up again next month when more details of the ongoing migrant settings review are due.**

Volatile environment

As a result, the political atmosphere is particularly volatile. **Hyper-partisanship** is increasingly evident. The PM and senior ministers are noticeably subject to much more stringent security measures.

Meanwhile, **National under Christopher Luxon is looking unified, better organised and above all, refreshed.**

If the govt flounders through the next 16 weeks – and if the 'shadow lockdown' effect has a marked, visible impact – it may emerge in an unelectable position.

If it muddles through and there is a sense of relief, bounceback and a faster easing of border and self-isolation restrictions, it will fare better.

However, the political mood has shifted decisively since Christmas to one where **the odds are tipping**

against Labour being able to form a govt after the next election.

Omicron mark 2

There may yet be a further test of mental as well as commercial resilience that goes beyond the scenario of emergence from the outbreak in May.

It is too early to know, and too gloomy to contemplate, that the BA.2 omicron variant is now becoming established in Australia.

That means that any border opening with our closest neighbour will bring the variant here, and it is considerably more infectious that the first version of omicron.

The UK Health Security Agency's tracking suggests indicates transmission may be 13.4% higher among contacts of BA.2 cases in households than those for contacts of other omicron cases.

The implication for Australia is a prolonged wave of infection. It would be unwise not to be watching the impact of this variant.

Its emergence underpins three realities:

- That omicron is unlikely to be the 'last gasp' of the virus. There are no guarantees that new variants won't appear.
- That there is no guarantee that new variants will produce more mild illness. Unthinkable though it is, the potential for an equally or more transmissible strain to emerge, which is also more serious in its health impact than omicron.
- 'Living with' an endemic virus that continues to mutate unpredictably while being highly infectious is very unlikely to allow a return to 'life as we knew it'.

Strike threat in health sector

The govt now also faces a return of threatened industrial action by approximately 10,000 DHB and other unionised health sector workers.

Results of a vote are due Feb 14. The PSA will need to play a careful strategy here as a striking health workforce during the omicron outbreak could backfire.

However, as pressure points go, this is a strong one. The sudden ability of expat journalist **Charlotte Bellis** to get an MIQ spot would pale in comparison to the pressure an impending hospital strike would have on the govt.

Death knell for 3 waters?

With the wider political fight relating to covid response on its hands, there are smoke signals coming from all over Wellington that the three waters reforms are in trouble.

The Maori co-governance proposals are deeply unpopular, particularly in provincial NZ, and the whole policy is being seen as evidence that Wellington is out of touch.

Local Govt NZ, the peak lobby group that backed the reforms, is facing mounting difficulties, with a 3 waters opposition group led by its former ceo, **Malcolm Alexander**, making serious headway.

There have been numerous local govt resignations from LGNZ and key policy advisers, including deputy ceo **Jason Krupp**, are on the move.

This all gives credence to the potential for **Nanaia Mahuta** to be shuffled out of the local govt portfolio to allow a fresh start.

There are neither Cabinet decisions nor a clear path forward yet. However, the co-governance arrangements look on very shaky ground. They may have been created on a promise to Labour's Maori caucus, but its members are not seen to have delivered much of value to the govt and are being warned they will have to prioritise the wins they most want.

Our pick is that a delay and a reset are more likely than total scrapping.

The other obvious change to make is to move to a larger number than the four mega-water entities proposed. The argument for economies of scale in water services is far weaker than govt advice would suggest and the politics of amalgamation is looking unwinnable. Watch this space.

Coming up

Feb 8 - Parliament resumes.

Feb 23 - RBNZ MPS

Feb 28 - NZ residents can return from Australia and self-isolate

Mar 14 - NZers can return from elsewhere MIQ-free

April 13 - Offshore temp visa holder, students

By July - All Australians and visa-waiver others can come

Oct - Border open to all

Will it stick?

The govt announced a border reopening strategy starting later this month that PM Jacinda Ardern is adamant will be carried through, come what may. Trans-Tasman travel will be the first to ease, with vaccinated NZers from Australia able to return from Feb 28, with borders fully reopened in five steps by Oct this year.

The next milestone is March 13 when NZers from other parts of the world and working holiday makers can also enter and self-isolate for 10 days.

However, full movement of non-residents from Australia is delayed, albeit to no later than July.

There is hope that date could be dragged forward.

The wide rollout of vaccines and boosters has given the PM some reassurance, but she knows the public tolerance for an unending stay in the 'hermit kingdom' behind a loathed MIQ moat is wearing thin.

Note that the govt is now proposing to create a permanent National Quarantine Service as it winds down MIQ.

The polling bells were tolling

Support for Labour and the PM personally slid over the summer, despite relative openness and ongoing control of the outbreak in the face of all manner of modelling. A **1News/Kantar poll** taken in the third week of Jan showed Labour dropping to a post-covid low of 40% from 41% in Nov, and down from its mid-2020 highs of well over 50%.

National's support has bounced solidly into the 30s under new leader **Christopher Luxon**, albeit mostly thanks to a swap of centre-right voters from ACT to the biggest party. National rose four points to 32% and ACT fell three to 11%. The Opposition are still six points behind the combination of Labour and the Greens, but that gap has narrowed from nine percentage points over the last two months.

Daily stories of missed funerals, loved-ones dying alone and then the Bellis blowup have whittled away at the resolve of both the PM and those who have argued for almost two years that a closed border is the national saviour.

The pre-Christmas decision to delay the reopening from mid-Jan to the end of Feb turned into the second-to-last straw.

Initial prevarications and differences in tone emanating from the cabinet were quickly set aside as the polls showed the restive mood and a very real prospect of the govt being run down in the home strait next year.

One less-followed poll showed the govt in an even more vulnerable position. A **Roy Morgan poll indicated enough support for a potential National/Act coalition govt.** The poll had National up 5 points to 31.5% and Act up one point to a new record high of 18.5%. Labour support was down 0.5 points to 35.5% and support for the Greens decreased by 2 points to 8.5%.

Ardern's resolve to open up, come what may, has clearly hardened over the last week, helped by pushing from **Covid-19 Minister Chris Hipkins and Finance Minister Grant Robertson's** growing awareness about the labour shortages and anxieties plaguing many business and health sector leaders.

That change in mood and preparation to push ahead was all but confirmed when the cabinet decided to accelerate the booster programme.

The gap between second and third doses of the main covid-19 vaccine is being shortened from four months to three taking effect on Feb 4. It means 3,063,823 people aged 18 and over – two thirds of the population – will be eligible for their booster from this weekend. Over 1.3m people have already received their booster shot.

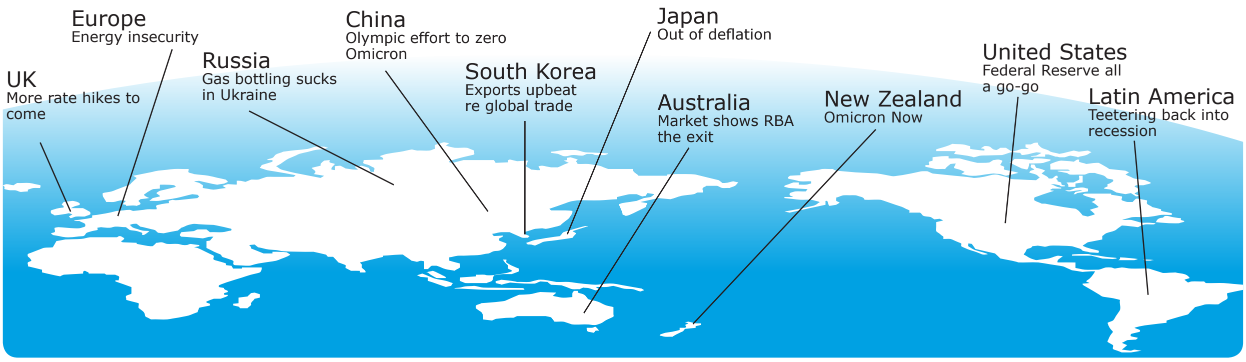
Sensing opportunity in the absence of NZ First's return, former Chch city councillor **Raf Manji,** who polled strongly in 2017 against Gerry Brownlee as an independent in Ilam, took up the leadership of **TOP**, the party founded by Gareth Morgan that favours land taxes and a universal basic income. TOP polled 2% in the latest Kantar poll.

Self-isolation pressure builds

Arrivals will still have to self-isolate for 10 days and take three rapid antigen tests, but will no longer have to spend time in MIQ.

The tourism sector celebrated the certainty of the reopening dates but the self-isolation rules remain a big sticking point. The govt's business advisor **Rob Fyfe** wanted to see the borders open to Australians well before the ski season starts on June 10, and for self-isolation to be replaced with a shorter period to

The world at a glance



wait for a PCR test result done on arrival.

The self-isolation period will drop to seven days as the country moves to 'phase two' of the measures to deal with the omicron outbreak. From the end of the month the MIQ system will only apply to the unvaccinated.

PM keen to travel too

PM Jacinda Ardern said she planned to get NZ's name back on the international stage by **leading trade and diplomatic delegations to Australia, Asia, the US and Europe** during the year.

One factor to watch is the **Australian federal election**, which is likely to keep its cabinet busy until **mid-May**, with the increasing prospect of a change of govt making relationship-building and rebuilding a moot point until into June. A **loss caused by covid backlash** will be closely watched from Wellington.

Ardern's first trips are more likely to be to Europe, with negotiations for the **EU FTA** have advanced over summer, but are thought to need leader-to-leader meetings, particularly with France's Emmanuel Macron.

Asia remains very difficult, with Hong Kong and China almost impossible to get into without long quarantine periods.

Looser migration shackles

This week's reopening announcement loosened the shackles for migrant workers.

The pressure of wage inflation and stressed supply chains was clearly front of mind as Cabinet tweaked the rules for migrants arriving soon after residents returning home.

It acted to open the border sooner and wider for working visa holders, including dropping the salary cap for essential workers from two times median income to 1.5 and removing a work test.

It will also open the borders to a much wider group of returning migrant workers, visa holders and working holiday makers from March 13, which is five weeks earlier than previously planned.

The tweaks mean an extra 10,000 to 20,000 migrant workers could be let in over the next year, plus 50,000 working holiday-makers.

They can start arriving from March 13 and the five-step plan is designed to allow the travellers to be in place and trained up as baristas and bungy jump masters by the summer of 2022/23, when full tourism is due to resume.

One a**rea of emerging concern for businesses hoping to bring employees in from offshore is the capacity of the immigration service to deal with any influx**.

It is already **struggling to deal with the very large number of temporary work visa holders already in the country**.

Queues of such migrants down Queen St for medical documents were another unwelcome headline for the govt in the last week.

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	36.2	6.0	2.3	7.9	5.0	5.3	2.9	2.5	1.0	2.2	2.3
Australia	15.4	1.9	-2.2	4.1	3.8	3.0	1.6	0.8	2.7	2.6	2.3
United States	12.6	2.2	-3.4	5.6	3.9	2.6	1.8	1.2	4.7	4.8	2.6
Japan	6.4	0.7	-4.7	1.7	3.1	1.5	0.5	0.0	-0.2	0.8	0.7
Eurozone	5.4	1.3	-6.5	5.1	4.0	2.5	1.2	0.3	2.6	3.1	1.6
South Korea	3.4	2.0	-0.9	4.0	3.0	2.5	0.4	0.5	2.5	2.2	1.6
United Kingdom	2.8	1.7	-9.7	7.0	4.3	2.2	1.8	0.8	2.5	4.6	2.5
Singapore	2.1	1.3	-5.4	7.2	4.3	3.3	0.6	-0.2	2.2	2.3	1.7
Hong Kong	2.2	-1.7	-6.1	6.5	3.0	3.1	2.9	0.3	1.6	2.1	2.0
Taiwan	2.4	3.0	3.4	6.0	3.4	2.9	0.6	-0.2	2.0	1.9	1.5
Malaysia	1.8	4.4	-5.6	3.2	6.1	5.2	0.7	-1.1	2.5	2.2	2.1
Indonesia	2.3	5.0	-2.1	3.4	5.1	5.3	2.8	2.0	1.6	2.9	3.3
Thailand	1.8	2.3	-6.1	1.1	3.7	4.4	0.7	-0.8	1.2	1.8	1.3
Philippines	1.2	6.1	-9.6	5.0	7.0	6.2	2.5	2.6	4.4	3.4	3.2
Vietnam	1.6	7.0	2.9	2.6	7.6	6.9	2.8	3.2	1.8	3.1	3.6
India	0.9	4.0	-7.3	9.2	7.9	6.3	4.8	6.2	5.4	5.0	4.8
Canada	1.4	1.9	-5.2	4.6	3.9	3.0	1.9	0.7	3.3	3.4	2.2
NZ Trading Partners	100.0	3.5	-1.5	5.8	4.4	3.9	2.0	1.4	2.1	2.7	2.2
Forecasts for New Zealand											
Consensus		2.4	-2.1	5.4	3.5	2.7	1.6	1.7	3.8	3.6	2.1
BNZ Forecasts		2.8	-1.9	5.3	4.9	1.5	1.6	1.7	3.9	4.7	2.6
The World		2.5	-3.3	5.6	4.2	3.7	2.7	1.9	3.4	3.2	2.6

ACC version 2.0

The govt took a break from covid to deliver a big plank of its work programme for 2022 with the unveiling of its Income Insurance Scheme in partnership with **BusinessNZ** and the **CTU**.

It was flagged in last year's Budget as a way to broaden and strengthen the social safety net and reduce the risk of 'scarring' of the workforce when people laid off in a recession struggle to get back to work that is as highly paid and productive.

The plan is for ACC to extend its remit from accidents to include income protection for those made redundant or unable to work for a longer period because of ill health or disability. Scheme members would get 80% of their salary for up to seven months after being laid off, with extra help with retraining over that time. Claimants would also be able to receive the state-provided dole or sickness benefits, or the pension if working after the age of 65.

Workers and their employees would each pay 1.39% in levies to fund the proposed national income insurance scheme. The annual levy collections are seen at $3.5b to cover about 100,000 layoffs per year.

A public consultation document on the proposal was released based on work involving the govt, Business NZ, and CTU with submissions due by April 26.

The scheme would be pay-as-you-go, unlike ACC, and would effectively create a nationally applicable four week redundancy provision for all workers covered by the scheme.

The coverage of the self-employed and contractors is likely to be a sticking point. The scheme will not apply to workers who have been fired.

National pledged to repeal it in govt, accusing Labour of a tax grab at an inflationary period of stress when neither businesses or workers could afford it. ACT was also opposed.

Domestic Economy: Clark hears out the bankers

Commerce and consumer affairs minister **David Clark** has been busy over the last fortnight dealing with the fallout from the Dec 1 launch of the Credit Contracts and Consumer Finance Act (CCCFA).

Last week he ordered an early review by MBIE of how the Act is being implemented by banks, who warned during the Act's legislative progress that it may force lending officers to reject applications that were not able to be proven to be affordable to the borrowers. The Act's prescriptive requirements for full investigations of spending habits has thrown several spanners into mortgage application processes.

Clark is wary of swallowing all of the complaints, given banks also face tougher low-deposit loan requirements from the Reserve Bank and their own risk managers' wariness of a housing market most see as overvalued and vulnerable to a correction.

Clark expects an initial report back next month, with the prospects of regulatory rather than legislative tweaks seen as high.

Reserve Bank figures this week showed there was $7.9b of new lending in Dec, down 13% from Nov, but in line with the $8.3b average for the rest of 2021 and above the $7.2b average seen for the last two years. New first home buyer lending of $1.56b was down just 10% from Nov and in line with the monthly average for 2021.

Mortgage brokers, credit checkers and banks say the figures lag behind deals stuck in digital in-trays, but acknowledge lending is far from collapsing. Figures from Centrix showing a lower approval rate also mask an increasing number of multiple applications to banks.

What the OECD recommends

The **OECD** published its biennial country survey for NZ this week, recommending the govt:

- Withdraw fiscal stimulus to take macroeconomic pressure off monetary policy, which should also be tightened by the **Reserve Bank.**
- Commit to explicit long-term debt-to-GDP targets.
- Extend the age of eligibility for **NZ Super** and link it to life expectancy.
- Require banks to use a minimum interest rate for mortgage serviceability tests or limit debt to income multiples.
- Consider cutting the corporate tax rate.
- Remove barriers to supermarket competition.
- Tighten emissions permit limits to raise the carbon price and reduce climate emissions substantially.
- Complete Three Waters reforms and bring in volumetric water charging more broadly.
- Complement R&D tax credits with targeted grants.
- Reform maths and science teaching in primary and secondary schools to improve digital economy opportunities.
- Phase out KiwiSaver first home buyer withdrawals and first home loan grants.

The superannuation age recommendations are something of a ritual in these OECD reports, as is their immediate rejection by govts of whatever stripe.

Banks, insurers and fund managers

Kiwi Group Holdings enlisted **Goldman Sachs** to explore a possible sale of **Kiwi Wealth**.

Tower lifted gross written premium 12% to $112m in the Dec quarter, adding 6,000 new customers to give it 310,000. The general insurer affirmed its forecast for net profit of between $21m and $25m in the Sept year.

Energy and resources

Milford Asset Management reported it had invested $60m in **Contact Energy** since Aug last year, buying an 7.7m shares for approximately $7.85 each.

Mercury Energy downgraded its earnings guidance due to a decrease in generation following dry weather for the year ended June 2022 from $590m to $570m.

Transpower chair Pip Dunphy is retiring next month, ahead of her term ending in July.

Rio Tinto issued a rare public statement on its intentions for the Tiwai Point aluminium smelter, saying it "does see a positive pathway for NZAS to continue operating … beyond 2024".

Manufacturing and construction

Jarden increased its forecast earnings for **Fletcher Building**, citing its strong momentum and some evidence the company has been able to increase prices. It believes the company will report first-half earnings before interest and tax of $311m next month and has raised the full-year forecast to ebit of $721m from $701m previously.

Fulton Hogan is purchasing 50% of roading company Stabilised Pavements of Australia.

Delays for building supplies have increased average build times for houses from five months to a year.

Skellerup raised its earnings guidance again after a string of upgrades in its last financial year. It now sees its first-half net profit up about 18% from a year ago to about $23m.

Primary sector, food and beverages

Wholesale dairy prices rose 4.1% this week in globaldairytrade's latest auction. NZX analysts expect tight supply globally to continue upward pressure. Westpac now expects 2021/22 local production to fall 3%. It lifted its 2021/22 farmgate milk price forecast by 50 cents to $9.50/kg.

ANZ hiked its farmgate milk price forecast to $9.30/kg MS for this season, and $8.40 for next season. BNZ picked a 2021/22 price of $9.40 (up from $8.90) and sees the 2022/23 milk price forecast at $8.90.

Synlait Milk is forecasting a record payout to its suppliers, raising its forecast payout to $9.25kg/MS from $8. Synlait's improved forecast matched that of **Fonterra**, which raised its forecast payout by 50 cents to a record range between $8.90 and $9.50 a kilo of milk solids.

NZ Kiwifruit Growers ceo **Colin Bond** said 24,000 seasonal workers are needed to pick and pack the 2022 kiwifruit harvest and the shortage of seasonal labour is forecast to be higher than in 2021.

NZ **cheese processors** welcomed a US court decision to reject Europe's bid to have exclusive use of the **Gruyére** cheese name.

A ruling against Canada by a dispute settlement panel has direct implications for NZ exporters and for the CPTPP. Canada's current practice is to reserve 85-to-100% of 14 separate dairy tariff rate quotas for domestic processors. **The Dairy Companies Association of NZ** said the finding reinforces its view that Canada hasn't been following CPTPP rules and has impeded NZ exporters' ability to use the dairy quotas Canada agreed as part of the negotiation.

Shares in **A2 Milk** jumped on a speculative column in **The Australian** suggesting the troubled company could be bought out by **Saputo**, of Canada.

NZ King Salmon cut its earnings guidance after warmer sea temperatures increased fish deaths. It now expects its underlying profit for the current financial year to be between $6.5m and $7.5m, down from $10.5m and $12.5m.

There were indications that the exemption from foreign investment rules currently applying to investors in **agricultural land for forest planting** will be scrapped.

Property

Radius Residential Care appointed **Andrew Peskett** as its new ceo. Peskett was previously a senior exec at **Metlifecare.**

Retail and wholesale

Worldline data – formerly **Paymark** – said hospitality merchants on its electronic payment system registered $900m of sales in the month, down 5.2% on a comparable basis from a year earlier and 8.7% lower than pre-covid 2020.

Countdown is looking for a partner for a 15-year sale and leaseback deal to build a $60m distribution centre near Christchurch.

NZ Automotive Investment warned underlying net profit for the year ending in March will be between $2.3m and $2.7m, down from $3.8m last year. Covid, overstocking low emission cars and tighter lending conditions all contributed to a fall in revenue.

Kiwi Property Group said sales for its mixed-use shopping centres rose 9.6% in Dec compared with a year earlier. 'Mini-majors', stores larger than 400 square metres but not including anchor tenants such as supermarkets, department stores and cinemas, recorded a 35.1% year-on-year uplift. The major tenants lifted sales by 6.1% in Dec, underpinned by supermarkets and the ongoing recovery of cinemas.

Service industries and healthcare

Restaurant Brands sales in NZ increased to $461.1m in 2021 from $410.4m in 2020. The company estimates it lost $26m in sales in 2021 due to govt-mandated covid closures, compared with $40m of lost sales in 2020. Sales across the global group rose 20% to $1.1b, with about $100m due to an extra eight months trading from its purchase of 69 **KFC** and **Taco Bell** restaurants in California in 2020.

Tourism Holdings is to spend $5.7m to buy the NZ business and assets of **MaxiTRANS** from Australian **Trailer Solutions Group**.

A legal settlement and poor sales led to antimicrobials company **Zoono** reporting an unaudited NZ$1.99m net loss for the six months to Dec 31, vs a $1.908m net profit a year earlier.

Tech, telcos, media, IT and entertainment

Jarden cut its earnings forcast for SkyCity, citing the poor timing of its €25m ($40m) acquisition of online gaming platform **Gaming Innovation Group** just ahead of Christmas. The broker also pointed to escalating debt levels and covid challenges.

Global Compare Group, known locally as **NZ Compare**, announced the acquisition of **PriceMe** for an undisclosed amount.

Serko said omicron had cut business travel volumes. The update didn't say how low booking numbers had fallen but did say they had recovered to 90% of Oct volumes in the past week.

The govt signed an agreement recognising Māori interests in the radio spectrum. A permanent Māori Spectrum entity will be established which will get 20% of all future spectrum allocations with seeding funding of $32m over five years.

Transport and logistics

The govt chose the partially-tunnelled option for the much-delayed **Auckland light rail** project to proceed along with earlier construction of a second Waitematā Harbour crossing. The second crossing will be brought forward to 2023 to align with light rail and new rapid transit to the North Shore and north-west of the city.

Mainfreight reported an 85% jump in pre-tax profit to $372m in the first 43 weeks of its March financial year. Total revenue was up 45% at $4.1b – from $2.8b on a comparative basis.

Capital markets

NZX's fund management subsidiary **Smartshares** was one of a number given regulatory approval to offer its products to retail investors across Asia.

US equity firm **Left Lane Capital** led a $16m funding round for online accounting service **Hnry** to scale in both NZ and overseas markets.

Courts, legal and regulation

The **Commerce Commission** is expected to focus on the MVNO market as it considers the proposed merger of **2degrees** and **Vocus**.

Concerns about accessing justice were raised due to the **Employment Relations Authority** not allowing those who are unvaccinated against covid-19 to attend in-person investigation meetings

People news

Ngāi Tahu added **Jon Hartley** and **Sophie Haslem** to the board of its investment company.

Air NZ named former aviation executive **Alexandria Marren** as its new chief operating officer, replacing **Carrie Hurihanganui**, who takes up the reins as ceo at **Auckland Airport** next Tuesday.

Pushpay hired **Jason Rupert** to lead its sales teams

If the proposed merger of **2degrees** and **Orcon Group** is approved, the current ceo of **Vocus' NZ** operations, **Mark Callander**, will become ceo of the new company, which will be known as **2degrees.** Current **2degrees** ceo **Mark Aue** will leave the company at the completion of the transaction after four years in the job.