

Luxon's next challenge – avoiding pratfalls

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Christopher Luxon has made the next election National's to lose, with Labour continuing to struggle for positive traction, particularly in Auckland. However, the new leader's inexperience is showing more often than is desirable and the team surrounding him has work to do to better anticipate political pitfalls.

Immigration reset – get ready for form-filling

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Immigration minister Kris Faafoi's officials are consulting with industry now on the proposed new system to streamline admission for skilled migrants in areas of critical need. The process appears to involve a considerable amount of official second-guessing and pre-registration of would-be participant industries with tightly defined role definitions.

The crowded field for the Auckland mayoralty

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Wayne Brown threw his hat in the ring for the Auckland mayoralty this week, apparently at the urging of big-name backers who are distressed by the quality of the field that was already on offer. The possibility of further new faces can't be ruled out. With turnout often as low as a third of the eligible electorate for Auckland local body voting, a wild card winner is a real possibility.

Farewell to The America's Cup

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Grant Dalton has wanted to take an America's Cup defence offshore since as early as 2008, according to letters filed with the Team NZ charitable trust. His vision is for the Auld Mug to become the F-1 of yachting. Not having govt officials and irritated sponsors breathing down his neck in Auckland, as he did in the last regatta, will have been an added reason to move now.

Vaccination mandates and flu jabs

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Employers who want to maintain vaccine mandates in the workplace will need to make a fresh assessment of their health and safety rationale, now that the govt is dropping them in all but a few settings. A national flu vaccination campaign begins this week.

Negligible post-omicron bounceback so far

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Hopes that NZ might see a swift bounceback from the self-imposed lockdown conditions created by the omicron outbreak are not so far being borne out. Such revival of traffic movements and electronic card spending on hospitality and entertainment as can be observed is subdued so far.

Air NZ faces a tough sell

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The deep discount being offered in the Air NZ \$1.2b capital raising may yet prove to be a tough sell. Small-time retail investors have been among the most active in the stock in recent times and may react poorly to dilution effects that many will find confusing. Institutions may be attracted at the 53c entry price, but initial analyst reaction remains wary of the aviation sector. However, underwriting arrangements will ensure the raise succeeds.

Luxon – connecting and ducking

National's Christopher Luxon, however, is a drawcard for business audiences and is fundamental to Labour's consistent descent in the polls since his election as leader.

However, his leadership is experiencing a **few wobbles**. His injudicious choice of the phrase "bottom feeding" as shorthand for society's poorest was ill-chosen and pounced upon by media and political opponents.

This week's outing of Young National members who had been anonymously harassing left-wing female politicians had **ugly echoes of a string of other embarrassments** involving young National men in their 20s and 30s over recent years. Luxon chose to have his deputy, Nicola Willis, front on the issue.

On substantive policy issues, he **faces some difficult choices** in coming months.

In particular, there are **ructions in regional NZ**, where traditional farming lobby groups and industry bodies are finding themselves at odds with the Groundswell movement.

The advocacy for the **He Waka Eke Noa** environmental initiative, backed by Beef and Lamb and Dairy NZ, is a **lightning rod** for those parts of the farming community that are focusing on the costs rather than the market imperatives of meeting modern environmental standards.

Likewise, while he is clearly in no mood to be drawn into supporting Act's "bottom line" requirement for a referendum on **Maori co-governance**.

But he knows the issue is live, particularly in regional NZ. In responding on this, he has so far retreated into corporate jargon.

National is also under pressure from traditional urban supporters to re-examine its bi-partisan support for **urban housing densification** policy, which is a legacy of Judith Collins's leadership, but a policy position

stitched together by deputy leader Willis.

These three are all **hot button issues that parties like Act and NZ First can exploit** with 'dog-whistle' tactics in ways that National cannot.

Luxon will need to find a way to straddle the tensions created for a major party leader seeking to appeal to middle NZ and maintain personal as well as political integrity, while avoiding apparent alignment with Labour.

His **tax cuts and cost of living crisis initiatives are achieving** that, but he will need sharper answers in other critical areas as his leadership matures.

His support staff will also need to get smarter at anticipating pitfalls before they arise.

None of the recent incidents in themselves have been materially damaging to National, but an early attack line based on Luxon's rookie status is starting to gain traction.

Govt vs business

The **increasingly testy relationship between the govt and significant parts of the business community** is intensifying as key policy initiatives start turning up as legislation. The following are of note:

FPAs a step closer

The govt introduced its Fair Pay Agreements Bill to Parliament, and aims to pass it into law this year. It has softened several aspects of the proposed law – excluding contractors and allowing for some regional differences to be recognised in the agreements. But the business lobby opposes the law, saying it would hamstring business flexibility and result in higher wages.

'Sector plans' to guide immigration reset

Immigration Minister Kris Faafoi is consulting now with industry groups about the govt's intention to regulate skilled migration by recourse to a "sector plan" approach.

Outlined in sketchy detail by Grant Robertson at a briefing in Auckland last week, it appears there will be a "green list" approach to make it comparatively easy for pre-approved categories of skilled migrants to enter the country.

It will clearly require employer and industry groups to ensure they are in on the ground floor when it comes to ensuring their skilled occupation needs are on those lists.

Key to the process will be the requirement for all employers to register with the immigration service. Registration for the Accredited Employer Work Visa scheme opens on May 23, with job checks open for submission from June 20, applications from would-be migrants open from July 4.

Timing of announcements is opaque. The scheme, while well-intentioned, **appears likely to be a highly bureaucratised exercise**, with potential to lack the capacity for flexible adjustment.

CEO Retreat 2022

The next Hugo Group CEO Retreat is scheduled to run from **dinner on Thursday August 25 to lunch on Saturday August 27**.

The programme will again bring members a mixture of actionable business insights and the traditional Retreat "deep dive" into domestic and global affairs.

Mark your calendar now.

Auckland tuning out?

While anecdote is no substitute for empirical data, we are struck by the apparent lack of enthusiasm in engagement with key Cabinet ministers in Auckland.

A recent Auckland Chamber of Commerce breakfast, admittedly just after the omicron peak in the city, was lightly attended and the dynamic between Grant Robertson and chamber CEO Michael Barnett strained.

A bellwether for politicians is whether they are actively approached in public, and we observe that Robertson was far from mobbed after the event or on other opportunities for casual contact during the day.

Foreign policy choices in focus

The impact of the Russian invasion of Ukraine on the relationship between the West and China is becoming impossible for investors and business leaders to ignore.

While it is clear that Beijing neither approves nor wishes to become any more involved in assisting Russia than NATO and others are assisting Ukraine, the war is adding to the schism between democracies and autocracies.

That makes China's overtures to the Solomon Islands, revealed this week, all the more concerning for Australia and NZ and underscores why the foreign minister, Nanaia Mahuta, was in Fiji reinforcing ties with the Bainimarama govt there.

For NZ, India is also important to keep an eye on. It is among countries not to have supported either Russia or Ukraine, but its democracy is in deep trouble under the Modi administration, which is increasingly building its power base on the back of Hindu nationalism that is fuelling anti-Muslim sentiment.

NZ has very little leverage in any of this, but as we have observed previously, major technology choices that favour western providers and pressure to increase defence spending are two key likely outcomes of the way the world is changing.

Auckland's crowded mayoral field

The Auckland mayoralty has significant potential to produce a wildcard result as the field of somewhat viable candidates expanded to five this week, with the addition of former Far North District mayor **Wayne Brown**.

In his telling, Brown has had his arm twisted by influential Aucklanders concerned at the low quality of the field to replace sitting mayor **Phil Goff**.

We suspect this is **code for a fear that it could be won by** the contest's most flamboyant, albeit polarising, candidate, restaurateur **Leo Molloy**.

Recent Auckland mayoral races have tended to attract turnouts in the mid-30%s. The most recent high point was the contest between Len Brown and John Banks in the first election for the newly created 'supercity' in 2010.

While sitting councillor **Efeso Collins has Labour backing** and strong south and west Auckland connections, **it is not clear that being the Labour candidate is a bonus at this election**. Key issues are likely to be **urban densification, three waters** and the **backlash against Labour in Auckland** caused by last year's extended lockdown. With ratepayers rather than renters most likely to vote, Collins may struggle.

Molloy also has ex-Alliance strategist Matt McCarten working for him. **McCarten ran John Tamihere's maverick (and unsuccessful) race in 2019 and understands Collins's territory**.

Heart of the City CEO **Viv Beck is so far making little impact** and appears to be undermined by a perception that the Auckland CBD needed a stronger advocate during the ravages of covid and the CRL disruptions.

Craig Lord, who ran third last time with a respectable 8% tally looks like no more than a spoiler vote this time around.

Brown's strongest suit is probably his advocacy for returning Auckland port land to the city, while his "scrapper" persona may mean he can become the **"thinking person's Molloy"**.

That said, the two could cannibalise one another's vote and allow Collins to sneak through. It is a lottery at this stage, and **the arrival of more wannabes can't be ruled out at this stage**.

Auckland's loss, Dalton's gain

There is no doubt that staging The America's Cup in Barcelona will suit northern hemisphere broadcasters and sponsors better than Auckland. Team NZ's decision to move offshore cannot be faulted from a purely commercial perspective.

However, Grant Dalton's assertion that NZ funding for the TeamNZ bid was not available in NZ will now never be able to be tested.

Greymouth Petroleum and ex-Fay Richwhite partner Grant Dunphy's Kiwi Home Defence campaign had

Coming up

April 18-24 - PM's first international travel since covid lockdown in March 2020. Visits to Singapore and Japan.

April 26 - Submissions on unemployment insurance scheme close.

May 19 - Budget Day.

May 25 - Monetary Policy Statement, RBNZ.

By May 31 - NZ Emissions Reduction Plan published.

a \$40m starting budget and it is credible to suppose that, had the Cup remained in Auckland, others would have come to the fore.

Likewise, Dalton's argument that NZ is now simply unable to participate because of the sums and technology involved appears a convenient surrender, given NZ's successes to date.

Holding AC37 offshore also frees Dalton and TNZ of the prospect of having to negotiate terms with the govt funders and sponsors who, by the end of AC36, had lost considerable trust in TNZ.

Dalton clearly disliked the Dunphy proposal's structure, which would have meant he no longer held the pen on the team's budget allocation. Even had he been able to work with a new set of NZ backers, he could not have expected the free hand enjoyed during AC36 as CEO of both the team and the regatta event company.

It was the conflicts inherent in that position that led to the Beattie Varley forensic audit, whose final report found evidence of no more than governance sloppiness, with cash tipped to and from the two organisations' accounts at times, but no malfeasance.

New rules for vaccine requirements at work

All employers who have imposed workplace vaccine requirements on their staff will need to re-do the health and safety risk assessments on which those requirements were based, in time for the relaxation of govt-ordered mandates from April 5 onwards.

It appears to be particularly important to take care not to use the version of the MBIE Vaccine Assessment Tool that has been in use to date.

The tool has been withdrawn and is being updated and it is not clear whether it will have be available in time for the April 5 changeover.

While decisions about staff that have already been

made using the original version of the tool remain valid, the MBIE website warns employers not to proceed with employment actions that are underway relating to an unvaccinated employee. A "cautious approach and pause" are recommended.

Existing health and safety assessment and resulting policy based on the original version of the tool, will need to be updated.

"Employers may still be able to maintain vaccination requirements where they continue to be supported by a workplace health and safety risk assessment, but the reason will need to be specific to their role and set of circumstances," Wood advised.

The only sectors in which govt-ordered vaccine mandates will continue to apply after April 4 will be in health and disability, aged care, prison and border workforces.

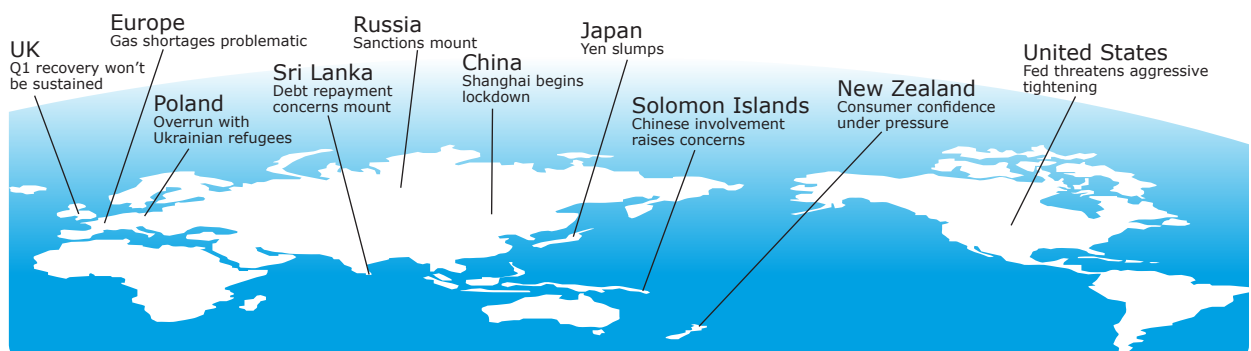
In brief

Timing for the introduction of the two key pieces of legislation **replacing the Resource Management Act** appears to be **drifting into the third quarter** of this year. Environment Minister David Parker had already implied delay for the Natural and Built Environments Bill, initially expected "early" in 2022, when he announced last Nov that it would be combined with the Spatial Planning Bill. The legislative timetable is understood to require its introduction before the end of the third quarter.

A **winter flu vaccination campaign** gets under way from today, with NZers' lack of exposure to two years' worth of flu virus mutations causing concern. The **potential for flu and new covid infection waves to coincide** and stretch the hospital system is a primary focus for health authorities.

The govt is to **force the disclosure of the real owners of companies** and limited partnerships to tighten up on money laundering, tax evasion and terrorism financing. Legislation will come later this year. 🇳🇿

The world at a glance



Australia's pre-election Budget

The Australian budget expects growth will rebound post-covid, inflation will be contained in the 2-to-3% band by the end of next year and that real wages will outstrip inflation over that time because of the tightness of the labour market.

This underlines the risk of labour market flight to Australia as NZ's borders open in coming months. It is worth noting that labour participation rates and forecast unemployment at sub-4% looks very similar to NZ's.

The budget anticipates real wage growth 0.25 percentage points above the inflation rate in 2022-23, 0.5 percentage points above in 2023-24, 0.75 percentage points higher in 2024-25.

Australian immigration policy will also limit new arrivals to 160,000 p.a. – a figure employers had been hoping might be higher. Given the right of NZers to live and work in Australia, the NZ labour market is all the more attractive to help relive Aussie job market constraints.

With a federal election due in May and covid fatigue making a change of government look entirely possible, the Morrison administration unveiled substantial personal income sweeteners.

As well as cutting A22c a litre from petrol taxes for six months, there is a one-off tax bonus rebate for low and middle income earners and 'helicopter money' cheques worth A\$250 in the hands of pensioners and welfare recipients.

These measures are costed at A\$8.6b in total.

The mantra for this budget was "temporary, targeted and responsible".


Recession in Europe?

Nikko AM's favourite gloom-monger, economist Andrew Hunt, paints a credibly grim scenario for economic conditions in Europe this year.

His thesis, boiled down, is that:

- the Ukraine war makes the world, and Europe in particular, poorer by virtue of the cost of conflict;
- monetary authorities will keep raising interest rates rather than underpin sagging activity because inflation will continue to rise. The conditions are stagflationary;
- fiscal policy support will be limited by the debt burdens already built up, particularly in the recent response to covid-19;
- the global impact on food and fuel prices of restrictions on Russian oil and Ukrainian wheat exports.

Hunt suggests that Europeans are facing a personal income hit as severe as that faced in the 1973 oil price shocks and possibly the greatest since the Second World War.

In those circumstances, he warns, the conditions are ripe for a renewal of the existential crisis faced by the Euro in the aftermath of the global financial crisis. 

Trading partner growth

(2020-2021 actual; 2022-2024 Hugo and Consensus Forecasts)

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
China	36.2	1.8	8.1	5.0	5.2	5.2	2.5	0.9	2.2	2.3	2.2
Australia	15.4	-2.2	4.7	4.1	3.1	2.7	0.8	2.9	4.1	2.5	2.1
United States	12.6	-3.4	5.7	3.3	2.4	2.0	1.2	4.7	6.6	3.0	2.3
Japan	6.4	-4.5	1.7	2.3	1.8	0.9	0.0	-0.2	1.4	0.9	0.6
Eurozone	5.4	-6.5	5.3	3.2	2.3	1.7	0.3	2.6	5.7	2.1	1.4
South Korea	3.4	-0.9	4.0	3.0	2.6	2.4	0.5	2.5	3.2	1.8	1.4
United Kingdom	2.8	-9.7	7.5	3.9	1.6	1.5	0.8	2.6	6.7	3.6	2.2
Singapore	2.1	-5.4	7.6	4.1	3.3	2.3	-0.2	2.3	3.8	2.1	1.5
Hong Kong	2.2	-6.1	6.4	1.6	3.5	2.5	0.3	1.5	2.4	1.9	1.9
Taiwan	2.4	3.4	6.4	3.4	3.0	2.3	-0.2	2.0	2.2	1.6	1.4
Malaysia	1.8	-5.7	3.1	5.9	5.1	4.6	-1.1	2.5	2.6	2.3	2.0
Indonesia	2.3	-2.1	3.7	5.2	5.3	5.1	2.0	1.6	3.2	3.3	3.5
Thailand	1.8	-6.2	1.6	3.6	4.6	3.3	-0.8	1.2	3.2	1.3	1.2
Philippines	1.2	-9.3	5.6	6.9	6.2	6.3	2.6	4.0	4.0	3.3	3.1
Vietnam	1.6	2.9	2.6	7.4	7.1	6.9	3.2	1.8	3.1	3.6	3.8
India	0.9	-7.0	8.8	7.6	6.2	6.3	6.2	5.5	5.6	4.9	4.6
Canada	1.4	-5.2	4.6	3.8	2.9	2.0	0.7	3.4	5.1	2.6	2.1
NZ Trading Partners	100.0	-1.7	6.0	4.2	3.8	3.5	1.4	2.1	3.5	2.4	2.0
Forecasts for New Zealand											
Consensus		-2.0	5.6	3.0	2.9	3.7	1.7	3.9	5.4	2.6	3.1
BNZ Forecasts		-2.1	5.6	3.2	2.2	2.6	1.7	3.9	6.2	2.8	2.8
The World		-3.3	5.8	3.8	3.1	2.8	1.9	3.6	5.2	3.0	2.6

DOMESTIC ECONOMY

No dash back to the main street

There is so far very little evidence that NZers are embracing en masse a “living with omicron” approach now that the outbreak wave is peaking in parts of the country.

Early readouts on Google traffic movement data and electronic card transactions data from last weekend – the first without mandatory QR code scanning – suggests NZ will be slower than other countries to bounce back to ‘normal’ life.

While a strong bounceback was observed within six weeks of omicron outbreaks in like-minded countries Australia and Canada earlier this year, those countries had prior experience of covid in their communities. It may be that NZ will be slower because many are still adjusting to the arrival of the virus and remain hesitant.

Mixed confidence indicators

Consumer confidence dropped 7 points to 92.1 in the March quarter in the Westpac McDermott Miller consumer confidence, well off the average of 110.4. A gloomier outlook than in the initial outbreak of covid, but not quite as gloomy as the depths of the global financial crisis.

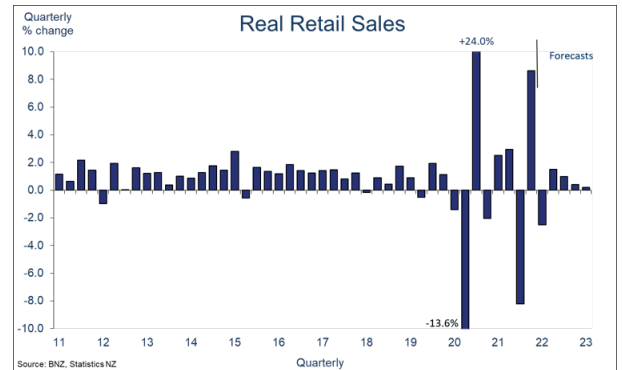
The **ANZ Roy Morgan consumer confidence index**, released this morning, tells a similar story, recording a 4 point drop to a new low of 77.9 on the index, which has been running since 2004. A net 26% of households believe this is not a good time to buy a large household appliance. Perceptions about next year’s general outlook are very negative, at net negative 45%, with the five year outlook at net -7%.

However, employment confidence rose to its highest level since June 2019, with the Westpac McDermott Miller employment confidence index rising 6.6 points in the March quarter to 113.5, the highest reading the survey has recorded since the covid pandemic. A net 15.7% received a pay rise in the quarter, up from a net 8.5% in the Dec period, a net 23.1% expect a pay rise in the coming year, up from a net 18.7% in the prior period.

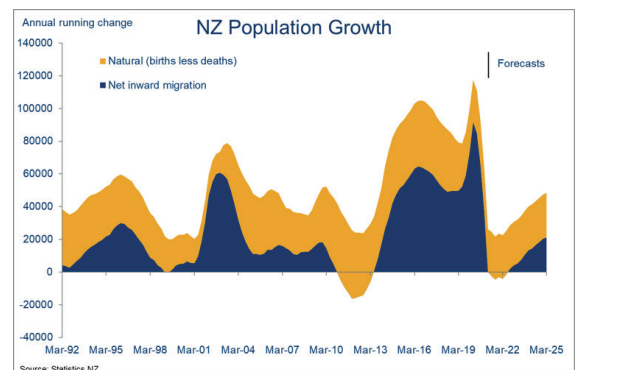
The ANZ’s **monthly business sentiment survey** found 42% of respondents optimistic about improved business conditions this year, up from 31% last month. However, that is still very weak.

Own activity expectations also lifted to a net 3.3 positive, compared with 2.2 in Feb, still far below the long-run average of +23.6 or the +16.6 recorded a month ago. Inflation expectations remain strong, and consistent with the CPI topping out as high as 7.5%, in the estimation of ASB economists. 📊

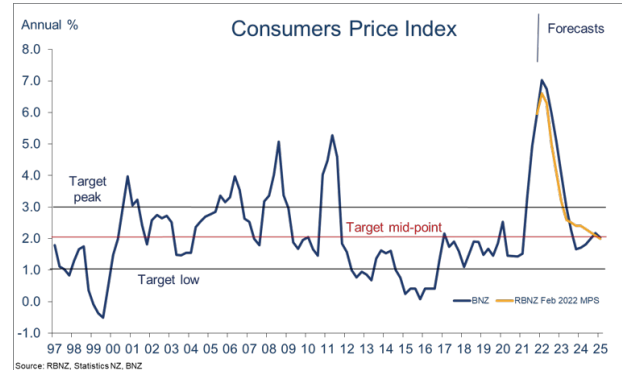
A consumer spending recovery



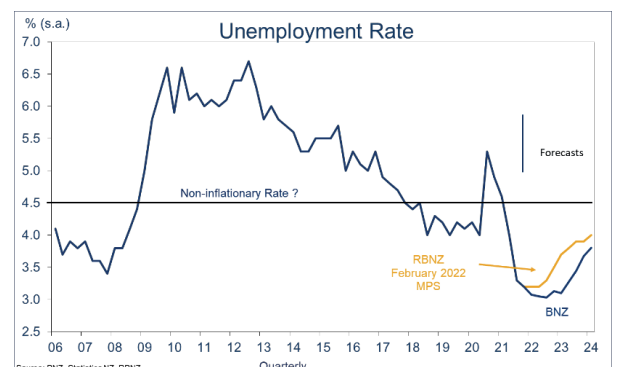
Migration too



Inflation exploding



Labour tensions extreme



Primary sector

Synlait Milk turned in a robust improvement in half-year earnings, up 128% to \$14.5m after stripping out one-off items against the same period last year. A “solid” full year result is anticipated. Synlait’s forecast milk price rose to \$9.60 per kilo of milksolids up from a prior forecast of \$9.25.

Synlait also took an \$8.8m court case over its purchase of **Talbot Forest Cheese** in 2019 for \$38.5m. It argues it has under-performed.

Fonterra shut down its small Russian operations, re-deploying staff where possible, and withdrew from the **Unifood** joint venture.

Silver Fern Farms reported a 59% jump in annual net profit. Net profit in the 12 months to Dec 31 2021 was \$103.8m, while revenue was \$2.75b.

Banking, insurance and finance

Rabobank NZ strengthened its market position last year with a net profit of \$209.06m – up 72.5% on the previous year’s – driven by the release of impairments and a lower cost of funds. The bank recorded net lending growth of \$636m. Its rural lending portfolio – lending inside the farm gate – grew 2.7% in a market where overall agri-debt contracted by 1.2%.

Energy and resources

Greymouth Petroleum has completed extensive seismic work over onshore permits in the Mt Messenger formation that founder Mark Dunphy says is likely to lead to drilling of new deep horizontal wells in the area “for years to come”. The 3-D workover has cost the normally secretive business “tens of millions of dollars” and there is “plenty of life left in that corner of Taranaki”, Dunphy says.

Parliamentary Commissioner for the Environment, Simon Upton, has warned in an eight page letter to Energy Minister Megan Woods that the pursuit of ‘green’ hydrogen may hamper NZ’s ambition to meet its target of net zero carbon emissions by 2050.

That is largely because the process itself is a highly inefficient way of turning one form of energy – electricity generated from renewable resources – into a store of energy in the form of hydrogen.

The **NZ Super Fund** and **Copenhagen Infrastructure Partners** are to explore the potential for a 1-gigawatt offshore windfarm in the South Taranaki Bight, equivalent to 11% of current total NZ electricity production.

Prospects for completion are within the next decade, during which time international estimates of the

much higher cost of offshore wind generation are expected to fall substantially to be competitive with current onshore wind generation costs.

Telecommunications and IT

NZ has the fifth-fastest **broadband speeds** among OECD nations, behind the fastest country, Chile, and ahead of Australia and the UK. New research by Uswitch said NZ has median download speeds of 113.14 megabits per second, which could download a 1,500-megabyte movie file in one minute and 46 seconds.

The **Commerce Commission’s** latest annual telecoms report put **average monthly mobile data usage per person at 4.2 gigabytes** for the 12 months to June 2021, up 28% from the previous 12-month period.

Orion Health is working on an IT project for an undisclosed sum in Saudi Arabia but said it was one of the three largest ever of its projects and will result in the world’s largest health information exchange.

Spark acquired a 38% stake in IoT company **Adroit** for an undisclosed sum.

Construction

Steel & Tube warned prices are likely to escalate further in what is shaping up to be “a super cycle”. There had been upward pricing pressures even before Russia invaded Ukraine, but that conflict has only exacerbated pressures at all parts of the market for steel inputs and freight costs.

Fletcher Building is seeking to buy six stores and a frame and truss plant from Independent Timber Merchants (ITM), shoring up its Hawke’s Bay, East Coast and Wairarapa distribution footprint. The deal requires approval from the Commerce Commission.

Anti-dumping tariffs that were to have been imposed on **Korean-made steel** will be deferred for six months because of how high steel prices are already becoming, owing to global supply constraints.

Transport, tourism and logistics

Air NZ unveiled a \$1.2b capital raising plan at a very deep discount in two-for-one issue offering new shares at 53c. A further \$1b in new debt arrangements takes total new funding for the airline to \$2.2b. Some \$600m will be issued as listed debt on the NZX, with a \$400m standby facility from the Crown making up the remainder. The airline does not expect to start paying dividends again until 2026.

The issue is pitched to attract institutional investors, who have little appetite for aviation stocks at the best of times. Some 6% of the register held by relatively

CORPORATE ROUND-UP

unsophisticated 'Sharesies'-style investors, whose reaction to a likely substantial share price drop when rights start trading on April 4 may be a PR headache for Air NZ.

Air NZ will restart direct flights to New York's John codeshare partner **United Airlines'** Newark airport hub to JFK. The move is seen as significantly boosting the service's appeal to well-heeled US east coasters and to create a new route from NZ to Europe. Air NZ has also brought back 800 furloughed or former staff before the border reopens to tourists. A **new business class cabin layout** has also been unveiled.

Likewise, **Singapore Airlines** is hiring staff in NZ as it works towards increasing service to the country.

The Commerce Commission signed off on **Tourism Holdings'** sale of Mighway and ShareACamper businesses to Camplify Holdings for just under \$8m.

Entertainment and media

NZ Herald publisher **NZME** abandoned a joint push by news publishers to negotiate terms with Google to gain revenue from the search engine's Google News Showcase curated news product. **Stuff** owner **Sinead Boucher** spearheaded the move, which faced inevitable delays while the Commerce Commission assessed whether a joint approach amounted to collusion. NZME began a \$30m stock buyback. Australian publishers pursued joint negotiations, but also had federal legislative backing that NZ news publishers neither sought could have expected to attain.

Manufacturing

Fisher & Paykel Healthcare shares hit a two-year low after saying its annual revenue will be between \$1.66b and \$1.7b in the year ending March 31, down from the \$1.97b reported a year earlier when the covid pandemic provided a tailwind.

Corporate actions

Morrison & Co has joined with **Brookfield Infrastructure Group** to place a bid for Australian fibre telco **Uniti Group** at A\$5 (NZ\$5.43) a share, ending a rival bid at the same price from **Macquarie Asset Management** and **PSP Investments**. Morrison & Co had first bid at A\$4.50 a share earlier in March, a price at a 43% premium to where stock was trading before whispers sent it creeping up on March 15.

Z Energy shareholders overwhelmingly endorsed the sale of the business to **Ampol**. The Australian oil company and fuel distributor has yet to say whether it will dual-list on the NZX.

Auckland personal loan and financing company **Thorn Financial Services** is merging with car dealership management software outfit **Limelight Software**. Thorn's parent company **Fox Group** has had a 25% stake in Limelight, which owns the Motorcentral, Need A Car and BuyerScore brands and services.

Wholesale and retail

Hallenstein Glasson's first-half profit fell 40% to \$11.9m in the six months ended Feb 1 from \$19.8m in the same period a year earlier due to covid disruption, but close to the higher end of guidance.

Burger Fuel said it was experiencing some short-term, temporary store closures because of the omicron outbreak. It also said its four outlets in the United Arab Emirates will close by April 1.

KMD Brands (formerly Kathmandu) reported a net loss of \$5.5m in the six months to Jan 31, having posted a profit of \$22.3m in the same period a year earlier. Earnings were \$10.3m versus \$48.2m a year earlier, as covid lockdowns took their toll. It will still pay an interim dividend of 3c per share.

The Warehouse's first-half net profit fell 8.2% even as Christmas and summer sales hit records with supply-chain disruption eating into its profit margins. Net profit for the 26 weeks ended Jan 30 fell to \$50.4m compared with \$55m in the same six months a year earlier.

Courts, legal and regulation

Metlifecare's long-running legal battle with building cladding manufacturer and supplier **James Hardie** has been set a 20-week trial date to start in May 2023.

Zhongyang (Sean) Meng and **Jiashun (Sam) Qian** were ordered to pay \$180,000 and \$130,000 for market manipulation and disclosure breaches relating to **Oceania Natural**.

Capital markets

Car dealership **Armstrong's** paused its plans to dual list on the NZX with an initial public offer. It will wait or more stable market conditions. 📊

