

Climate change consensus wobbles

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The farm lobby's fiery rhetoric in response to the final round of consultations on the He Waka Eke Noa agricultural greenhouse gas emissions scheme looks out of proportion to the decisions that now appear to be forming from what has until now been a collaborative process. Whether supportive comments from National and Act indicate a breakdown in climate change policy consensus remains to be seen. A key element of the debate is how most accurately to measure methane's warming impact.

Wayne Brown starts picking his battles

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Wayne Brown's mayoralty has begun as it's likely to continue, with Brown moving fast and breaking things. He will need to decide which of the various large targets he's identified should attract his focus: moving the port; abolishing either or both Eke Panuku and Auckland Unlimited; abandoning the partnership with central government on light rail; and reforming AT. The government may push ahead with light rail, with or without Auckland Council on board.

India on the radar

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NZ-India relations are suddenly warming up after a long period of mutual uninterest. As NZ seeks to diversify export markets and quietly drops its longstanding requirement for "high quality" FTAs before pursuing deeper trade relationships, India is engaging more as part of its engagement with US efforts at China containment through its Indo-Pacific strategy.

Labour under 30%

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September's Roy Morgan poll put Labour under 30% support for the first time since Andrew Little gave up the party's leadership to Jacinda Ardern in 2017. Highly placed traditional supporters are resigning themselves to the likelihood of a change of government next year.

Pre-Christmas policy rush

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The next few weeks will see a burst of policy-related updates, releases and legislative progress. The first tranche of RMA law reform is due back in Parliament before the middle of November.

Electricity policy - Marc England's parting shot

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NZ is running out of time to reform electricity market arrangements that are skewing forward wholesale prices to very high levels because of the impact of high international coal prices and a rising carbon price, says outgoing Genesis ceo Marc England.

Thank Your Cleaner Day is October 19

Thank Your Cleaner Day is coming up again and is dedicated to cleaners to show they are valued and appreciated for keeping our environments clean every day for all of us. The Hugo Group team will be participating.

For more information on how you can thank your cleaners: www.thankyourcleanerday.co.nz

Climate change consensus fragile

This week's He Waka Eke Noa announcements on the treatment of agricultural greenhouse gases **contained very little that should have surprised anyone**. The only significant decision for the farming lobby to object to was the **decision to have the government rather than the sector decide on the rate at which emissions would be levied under the scheme**. While inevitably unwelcome, this could hardly have been regarded as completely unexpected. The environmental lobby - Greenpeace in particular - accuses both Labour and the Greens (particularly James Shaw) of being far too weak on agricultural GHG emissions reduction.

To leave the levy decision in farmers' hands would have lent some proof to that charge.

The **other factor that seems to have been lost in the raging political rhetoric that emerged from Federated Farmers** is that the policy is still not finally settled. The decisions announced this week are the penultimate phase of a very long consultation process in which the government has substantially allowed the sector to come up with a solution, particularly to the need to cut methane emissions.

However, the fact remains that **Christopher Luxon has weighed in behind the rural lobby's objections**, which would appear to signal the potential for the fragile cross-party consensus on climate change policy to start unravelling.

One area of new focus - and one on which officials as much as ministers face a serious test - is the **re-emergence of the argument that the approach taken to measuring methane** is overstating by a factor of four or five the warming impact of current methane emissions.

The argument is scientifically complex, politically easy for opponents, and important to resolve.

Policy rush as year ends

A slew of substantial reports, major policy updates and legislative progress is due before the end of the year.

Among the developments to be on the lookout for:

- **RMA reforms** - David Parker will be shepherding the Natural and Built Environments Bill through Parliament next month (and will be at Hugo breakfasts in Auckland and Wellington to brief on its detail, including any change at select committee).
- A new calculation of the cost to NZ of meeting the bulk of its Nationally Determined Contribution to

reduce carbon emissions by purchasing offshore credits from international carbon markets. A Climate Change Commission calculation in 2021 put the direct and indirect costs of meeting the NDC at about \$30b over the next eight years, although Treasury Secretary Caralee McLiesh suggested \$12.8b in a speech last month. The net cost will include the offsetting impact of the emissions trading scheme, which is now raising about \$2.5b a year, with NZUs valuing carbon in the mid \$80s per tonne. The 2021 calculation assumed \$140 per tonne.

- The **results of the review of the science system**, in particular the operation of the CRIs, is close to release.
- **Fair Pay Agreements legislation** has been reported back from select committee and is expected to go to second reading before the end of the year. Previous support from Business NZ has been now fully withdrawn. Even though the legislation will pass before the next election, it is **very unclear that any FPAs will be completed before the general election**. Unions expect that employers will try to "run down the clock", in the expectation of a change of government will see the law repealed before even one FPA is negotiated.
- Terms of reference for a **defence equipment review** are imminent. The review is important in the context of a **US-China relationship that is now seen by close observers to be in "free-fall"**.

Immigration policy on the hoof

The **forced tactical retreat on immigration restrictions continues**, with relaxation on permissions for foreign chefs to work in the hospitality industry announced last weekend and the reopening of skilled migrant visa applications from Nov 9.

In prising open skills categories on an ad hoc basis, and generally subject to prolonged and intense lobbying, the **government is managing to satisfy no one**.

Employers and industry sectors trying to plug skills shortages are irritable about having to push so hard to get the concessions they need. They then face a lengthy bureaucratic process either under the accredited employer scheme or because Immigration NZ's processing times remain lethargic, despite an official hurry-up from the highest levels of the Beehive.

Meanwhile, trade unions that have backed the government's attempt to force hiring of NZers by restricting immigration are disappointed by the incremental backdowns and the extent to which they

are creating wage differentials between local and foreign workers.

The living conditions of RSE workers from the Pacific, who the government is allowing to enter in much larger numbers now, is also politically fraught.

Labour is walking a tightrope between meeting the legitimate desire of the horticultural sector to bring in seasonal crops and the mounting evidence that these workers are too often unable to be acceptably housed.

Strikes looming

Elsewhere in the labour market, the government faces political headaches because of the **potential for strikes in significant parts of the public sector**.

Both the tertiary education and health workforces are restive, with university staff striking briefly in the last fortnight and more disruption likely.

The push for a general uplift in health workforce pay appears to be stalling, in part because it is difficult to apply to those parts of the sector that are partially or fully government-funded, but privately run.

Labour under 30%

September's Roy Morgan NZ poll was dire for Labour, putting the party under 30% for the first time since Andrew Little was leader.

That was a 5.5 point drop from the August poll and must be of concern to Labour.

That said, **National barely budged**, up just half a percentage point to 36%.

With support for both Act and the Greens at 12.5% (up 2 and 2.5 points respectively), it appears a significant chunk of the electorate is relatively unconvinced by both the major parties at present and is toying with support parties that might "stiffen spines" in government.

The longstanding harbinger of a change of government - the **'right track/wrong track'** measure - is instructive for this dynamic.

Some 51.5% of the 942 people polled in Sept said NZ was heading in the "wrong direction" vs an unchanged 37.5% who believe the direction is "right".

Support for the Māori Party fell 1.5 points to 3.5%. The poll of 942 people was taken throughout Sept.

Local body elections

Thousands of words have been expended this week stating the obvious: those who traditionally vote in local body elections are property-owning ratepayers;

they are not, on balance, centre-left voters; and the **issues that motivated voters were unpopular policies with an impact on ratepayers**, including three waters reform, urban intensification, and climate change-friendly urban transport investments.

As a result, there was a solid showing for the centre-right in local body elections, with the election of Wayne Brown in Auckland setting the scene for a rambunctious relationship with Wellington.

Agenda for Auckland

Wayne Brown's priorities all involve Auckland's largest pieces of publicly owned infrastructure, both built and unbuilt.

One of his challenges will be deciding what to break and what to leave alone, and in what order, or risk creating chaos.

Clear early priorities:

- Replacing many of the members of the boards of Auckland Transport, the Ports of Auckland, and Panuku.
- Identifying the likely cost to complete the CRL and deciding what not to do instead. Some of this is likely to be performative. Brown makes a virtue of being a cycle-riding inner city resident who believes that cycleways are currently over-engineered and can mostly be achieved with paint and signage.
- Reviewing the role and scale of Auckland Unlimited. Our pick is that he will retain the city's promotional agency, but on a nominally tighter rein and brief.

Brown has appointed two National Party-linked advisers to his interim mayoral office staff. **Tim Hurdle**, who worked with senior ministers in the Key administration, is interim chief of staff and **Matthew Hooton** is interim head of communications.

Both Hooton and Hurdle were part of the team of informal advisers to Todd Muller during his brief tenure of the National Party leadership. To the extent that they were instrumental in the putsch on Simon Bridges, it will be intriguing to watch dynamics between the new mayor and Bridges in his new role as CEO of the Auckland Chamber of Commerce. Bridges welcomed Brown's election as positive for business. He also scored a notable coup and put in a deft performance for a large audience when the chamber hosted a session with the visiting Indian foreign minister (an event that might usually have been snared by the often

Lobbying

While Kris Faafoi's swift re-emergence in public life as a political lobbyist is legal - in NZ anyway - it has been widely greeted as somewhat unseemly.

However, the revival of the debate about a 'cooling off' period, as required in some other countries, is unlikely to produce a change.

Faafoi is teaming up with serial ad agency creator Greg Partington.

fractious India-NZ Business Council).

India relations warming up

Trade and diplomatic relations with India are going through one of their periodic warming phases. **The question is whether this time is different. It feels as if it may be.**

In the last month, Trade Minister Damien O'Connor has led a trade mission to the country, NZ has hosted its first visit in 20 years by an Indian Foreign Minister, Subrahmanyam Jaishankar, and Grant Robertson is meeting his Indian counterpart on the sidelines of the IMF and World Bank meetings in Washington DC this week. That the Indian finance minister thought the meeting worth taking is significant and further **evidence of the way that trade and geo-political realignments are aligning.** The **relationship has sputtered** in recent years for two main reasons: India's complete lack of interest in trade liberalisation with any country, let alone an FTA with NZ; and the crackdown late last decade on exploitation of NZ international education opportunities by Indian students seeking residency, too often accompanied by migrant exploitation by employers in NZ and low quality education offerings.

The **biggest shift is in NZ's approach, with the NZ-EU FTA being the harbinger.** That agreement fell well short of NZ's long-held "high quality" trade agreement principles, reflecting a pragmatic acceptance that globalisation is in retreat and that trade and security alignment will increasingly dictate economic relations.

The focus on India without an FTA also fits the government's export market diversification strategy.

How the relationship develops will depend in part on how well NZ businesses can engage with Indian opportunities - the digital and fintech sectors are highlighted and there are agri-tech opportunities that don't rely on lower tariffs.

For India's part, NZ is not an important market, except to the extent that India seeks access for its citizens. Immigration barriers will remain a sore point in the relationship.

More broadly, however, a greater focus on warm relations with NZ is consistent with India's growing closeness to Australia, the US and Japan through the Quad security forum and the US Indo-Pacific Economic Framework initiative - itself a post-FTA phenomenon.

An arid tax debate

The UK government's embarrassing backdown on its proposed tax cut for the highest income tax bracket provided Labour with a stick to try and beat National with, over its promise to remove NZ's 39c top tax rate.

The debate is as arid as most NZ income tax debates are. **The idea that cutting NZ's top personal tax rate would unsettle global financial markets is fanciful.** As last week's fiscal out-turn for the year to June 30 proved, NZ's fiscal position remains strong relative to the UK's.

However, the simplicity of the argument meant that it played for some days and **National is struggling for traction on the real meat in its income tax reform package: the long overdue shift in the income thresholds** at which the various tax rates kick in.

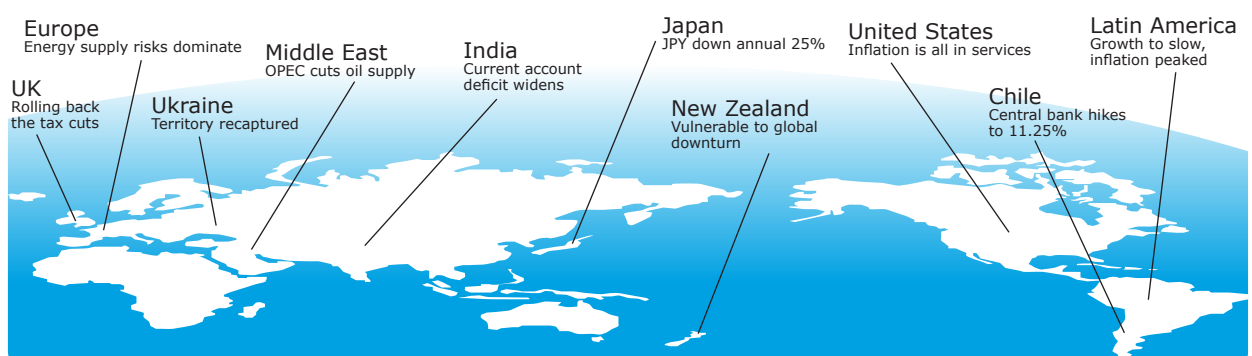
Explained well, this should be a highly attractive proposition for middle income earners, but National seems unable to prosecute it well.

While NZ is still forecasting fiscal deficits in the short term, the tax take is routinely stronger than forecast. The case for relief from 'fiscal drag' makes itself.

The worry for National must be that Labour will get there first, with threshold realignments a feature of its election year Budget.

Asked about this at a Bloomberg function last week, Robertson pointedly repeated himself in saying that the government has "not set its tax policy" for

The world at a glance



election year.

Meanwhile, **TOP gained a clutch of headlines for a much more radical tax policy**, in which an income tax-free threshold would be established for the first \$15,000 of earnings and a four-stage income tax schedule, with rates set at 20% up to \$80,000, 35% up to \$180,000 and 39% above that. A land tax on residential land, levied at 0.75% of valuation and deferrable by pensioners, would offset the \$6.35b in lost income tax by raising between \$6.75b and \$7.5b annually.

Parting shot on electricity market

NZ has, at best, **two or three years, to reform distortions in the wholesale electricity market** created by the impact of coal as a last resort fuel and the rising price of carbon.

That is the view of departing Genesis Energy CEO Marc England. He believes the Electricity Authority is failing to grasp this nettle, in part because it has been instructed to consider reforms that would be required once the electricity system is 100% renewable.

Since he argues, like the rest of the industry, that this is the wrong target, **the EA is spending time on the wrong question.**

England was perhaps more explicit on the way out the door than he has been in the past in fingering the other generator-retailers for entrenching current

inertia.

This is because coal prices, boosted on international markets by the Ukraine war and by the impact of the ETS, are setting very high forward prices in the electricity futures market.

These prices effectively lock in levels of profitability that no rational renewable generator is likely to want to turn down. However, those prices are also far higher than are needed to spur investment in new renewable generation, England argues.

While that situation pertains, NZ's capacity to exploit its renewable electricity advantage will be stunted.

He also firmly believes that NZ - being a closed market for all fuel types apart from coal - needs to maintain optionality by continuing to have access to an imported thermal fuel in the future, in order to ensure long term security of supply.

Forestry and the ETS

The government began consultation on how forests are managed through the National Environmental Standards for Plantation Forestry. Options include giving local councils more control over what land can be used for carbon forests through the resource consent process.

Planting trees to offset greenhouse gas emissions from livestock is not viable because vast swathes of land would have to be used for an unprecedented expansion of plantation forests, environment commissioner Simon Upton said. ■

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	3.3	5.0	5.1	2.5	0.9	2.3	2.3	2.3
Australia	15.4	-2.1	4.9	3.9	2.1	2.5	0.8	2.9	6.3	4.4	2.1
United States	12.6	-3.4	5.7	1.7	0.5	1.9	1.2	4.7	8.0	3.8	2.3
Japan	6.4	-4.6	1.7	1.5	1.5	1.0	0.0	-0.2	2.2	1.4	0.6
Eurozone	5.4	-6.5	5.2	2.9	0.2	1.8	0.3	2.6	8.2	5.4	2.0
South Korea	3.4	-0.7	4.1	2.6	1.7	2.3	0.5	2.5	5.2	3.2	1.4
United Kingdom	2.8	-9.3	7.4	3.4	-0.3	0.9	0.8	2.6	9.2	7.0	2.5
Singapore	2.1	-4.1	7.6	3.5	2.3	2.3	-0.2	2.3	5.7	3.5	1.5
Hong Kong	2.2	-6.5	6.3	0.0	3.7	2.5	0.3	1.6	2.1	2.2	1.9
Taiwan	2.4	3.4	6.6	3.1	2.3	2.3	-0.2	2.0	3.1	2.0	1.4
Malaysia	1.8	-5.7	3.1	7.7	4.2	4.6	-1.1	2.5	3.3	2.8	2.0
Indonesia	2.3	-2.1	3.7	5.3	4.7	5.1	2.0	1.6	4.6	4.7	3.5
Thailand	1.8	-6.3	1.5	3.3	3.9	3.3	-0.8	1.2	6.3	2.6	1.2
Philippines	1.2	-9.3	5.7	6.7	5.6	6.3	2.6	3.9	5.3	4.0	3.1
Vietnam	1.6	2.9	2.6	7.5	6.3	6.5	3.2	1.8	3.5	3.9	3.8
India	0.9	-6.6	8.7	7.1	5.8	6.3	6.2	5.5	6.7	5.0	4.6
Canada	1.4	-5.2	4.5	3.3	1.2	2.1	0.7	3.4	6.9	3.6	2.1
NZ Trading Partners	100.0	-1.6	6.0	3.2	3.0	3.4	1.4	2.1	4.6	3.3	2.1
Forecasts for New Zealand											
Consensus		-2.1	5.6	1.9	1.6	2.5	1.7	3.9	6.6	3.6	3.1
BNZ Forecasts		-2.1	5.5	2.4	1.0	1.5	1.7	3.9	6.6	3.8	3.8
The World		-3.3	5.8	2.9	1.9	2.1	1.9	3.6	7.4	3.6	2.4

DOMESTIC ECONOMY

Signs of improving supply

There are emerging signs that some of the worst of the covid supply issues - logistical, product, and labour - may be starting to ease.

On the domestic construction front, the gib crisis is said to be almost at an end, with months-long queues for supply now down to a few weeks and falling.

This is apparently thanks to a cooling construction market, ramped up local production and the effect of imported materials.

Meanwhile, a Bloomberg economic briefing in Auckland last week showed international container shipping rates are plummeting. They are not back at pre-covid levels, but are down two-thirds in many cases on the height of the covid restrictions.

The same briefing also challenged the conventional wisdom that open borders would be a net negative for NZ for any significant length of time. While the "OE factor" is real - NZers wanting to leave after being cooped up - the economic conditions in traditional OE economies of the UK and Europe look very difficult in the near term.

That could produce a flood of UK and European traveller/tourists heading out of the region to Australia, Canada, the US and NZ, Bloomberg suggests. That would be consistent with the early signs that foreign workers are again beginning to become available for hospitality and tourism industry jobs.

It is too soon to call, but it may yet be that labour market tightness will be far less acute within months, particularly as the RBNZ continues to tighten monetary policy to force up both interest rates and the rate of unemployment to contain inflation.

Monetary policy

The Reserve Bank lifted the official cash rate by 50 basis points to 3.5% and reiterated it will continue "at pace". Inflation was currently too high, and employment is beyond its maximum sustainable level," the monetary policy committee said.

Westpac economists noted the monetary policy committee debated between a 50 or a 75 basis point hike suggesting the RB is now eyeing a higher peak than the 4.1% from its Aug projections.

ANZ lifted its floating home loan rate and flexible home loan rates by 50 basis points to 7.3% and 7.45% respectively. Its discounted rate for those building a home also rise 50 basis points to 4.58%.

Fiscal position

The government took in more taxes than expected

and spent less than forecast in the year ending June 2022. The operating balance before gains and losses was a deficit of \$9.7b, roughly half forecast just months ago in budget 2022. Revenue was 4.1% ahead of forecast at \$117.5b, while expenses were 2.2% below forecast at \$125.6b. Net debt ended the year at 17.2% of GDP, in line with but slightly above budget forecasts.

Housing

House prices are falling faster than expected, and the market will likely hit bottom out in March next year, according to Jarden. This is nine months earlier than the investment house previously forecast. The REINZ median dwelling price has fallen from \$925,000 in Nov last year to \$800,000 in Aug down 12%, or an average 1.4% monthly fall over the nine months. Jarden believes the pace of this will accelerate with house prices bottoming out next March at \$700,000, a further 12% below the current level, and reaching a similar low to it had been expecting for Dec next year.

50,653 new homes were consented in the year ended Aug 2022, up 8.9% compared with the year ended Aug 2021, Stats NZ said. Homes were consented at high levels in most regions, particularly in Canterbury which reached a new annual record.

The ANZ World Commodity Price Index fell 0.5% in Sept, continuing the downward trend since April. In local currency terms, the index appreciated 3.3% as the NZD depreciated 2.5% against the TWI. Dairy prices lifted 0.7% month-on-month in Sept, while meat fell 1.7%, horticulture 0.8% and forestry 0.4%. Aluminium prices dropped 83%.

Business and consumer sentiment

A majority of NZ mid-sized manufacturers told MYOB they expect 2023 to be better than this year, although gyrating exchange rates are not helping.

NZIER's Sept quarter business survey found a net 42% of respondents think economic conditions will get worse in the coming year, compared with 62% in the previous survey. A net 3% of firms reported a lift in their trading in the past quarter from a flat reading in the June survey. But a net 14% expected a downturn in their own business in the coming quarter, slightly higher than the previous quarter.

The ANZ NZ Roy Morgan Consumer Confidence index was unchanged in Sept at 85.4. The proportion of people who believe it is a good time to buy a major household item fell 8 points to -25, where it was two months ago. Inflation expectations were at 5.1%, versus 5% last month. 📊

Primary Sector

Latest dairy auction prices dipped 3.5%, while whole milk powder prices slid 4%. The weak result was broad-based and below economists' muted expectations.

ANZ Bank said the lower dairy prices coincided with the seasonal lift in offer volumes and if this trend continues, it will have repercussions for the farmgate milk price. However, its forecast of 8.75/kg MS for the 2022-23 season has sufficient buffer to absorb this latest price movement and the lower NZD is also helping offset weaker prices.

A2 Milk renewed its import and distribution arrangements with China State Farm Agribusiness Holding Shanghai Co for five years from Oct 1.

Westland Dairy bought Waikato-based Canary Foods which has developed a compostable, individually sized butter squeeze pack.

A memorandum of understanding was signed between government and agribusiness on the new **Centre for Climate Action on Agricultural Emissions**.

Westland Dairy was ordered to keep taking milk from Gloriavale-owned Canaan Farming Dairy after the processor said it would suspend collection over child labour concerns. In granting an interim injunction against Westland, the high court in Greymouth said Canaan could not employ anyone under 18 on its farms but said Westland had no grounds to stop collection.

Mycoplasma bovis testing will be ramped up this summer after a new strain of the cattle disease was found on a Canterbury farm. Currently, four properties in the area are infected with the disease.

Cannabis firms' stocks rallied after US president Joe Biden took the first steps towards decriminalising marijuana with a blanket pardon for all prior federal offences for simple possession of cannabis.

Energy and resources

Methanex is spending an estimated \$10m to \$15m reducing carbon emissions at its Motunui facility in Taranaki, indicating it intends to remain in NZ as long as it makes sense and policy settings allow it.

There are some concerns that the major electricity players could be misusing their market powers but breaking them up may not work and could possibly do more harm than good, says the **Electricity Authority** in its latest paper on the state of the market.

Banking, finance and insurance

Banks have returned \$109m to nearly a million

overcharged customers following the joint conduct and culture review by regulators.

Tower agreed to pay \$5.9m to acquire Kiwibank's portfolio of insurance policies that had been underwritten by the NZX-listed insurer. Since Feb last year, the general insurer bought books from ANZ, Westpac, TSB and Kiwibank for a total of \$26m, cutting out the \$11m of annual commissions it paid.

The **Financial Markets Authority** said 66% of financial advice providers are now operating under, or have applied to the FMA for, a full licence. A further 20% of providers have taken the step to register. Transitional licences expire March 2023.

Heartland Bank reaffirmed an expected net profit of between \$109m to \$114m for the year ending June 30, 2023 - excluding any impacts of fair value changes on equity investments held.

Telecommunications, media and entertainment

A chorus of private sector media owners voiced concerns about the commercial impact of the proposed new public media entity merging **TVNZ** and **RNZ**. Select committee hearings also covered concerns by the broadcasters themselves that the proposed entity would not be sufficiently arms-length from political intervention.

The Commerce Commission's final decision on the value of the assets of **Chorus** put it at \$5.413b as at Jan 1, 2022, \$12m lower than the transitional value it gave in Dec 2021.

Wholesale and retail

Kathmandu partnered with French retailer Leclaireur to release its latest clothing range and announce a new push into the UK, Europe and North America.

Transport

The government decided **KiwiRail** will remain a state-owned enterprise following a review. The rail operator posted a \$133.9m surplus for the 2022 financial year, the first full-year result, which separates out below-rail and above-rail activities, just shy of the \$147m to \$162m operating surplus target forecast in its half-year result. The annual report disclosed that its former ceo, **Greg Miller**, was paid \$1.8m in FY22, including \$420,000 in performance pay relating and more than \$1.3m in salary including a six-month notice period.

KiwiRail is also to begin upgrading the Auckland rail network in early 2023. The \$330m Rail Network Rebuild will mean rail lines sections will be closed for long periods, causing considerable local political angst.

CORPORATE ROUND-UP

Manufacturing and construction

Jarden kept a “buy” recommendation on Fletcher Building but downgraded earnings for 2023 and 2024 as house prices fall more sharply than expected.

NZ Aluminium Smelters signed an agreement with Murihiku Rūnaka and Te Rūnanga o Ngāi Tahu to restore the land around the Tiwai Point aluminium smelter.

Steel & Tube Holdings said revenue is up 15% on largely flat volumes in the first six weeks of its financial year, helped by steady trading across its sectors.

Courts, legal and regulation

The Better Packaging Co was warned by the Commerce Commission about potential cartel behaviour after an approach to a competitor could have been seen as seeking agreement to not poach each other’s customers.

The supreme court quashed the convictions of Peter Ellis, the Christchurch creche worker convicted of child sex offences in 1993, finding a significant miscarriage of justice. In a legal first, the court ruled his appeal could continue despite his death, a departure from common law norms.

Law Society president Jacque Lethbridge resigned following a report which found she behaved in a way some employees experienced as aggressive and irrational.

A High Court judge found former National Party MP Jami-Lee Ross not guilty of fraud charges over political donations. However, three others were found guilty of concealing the identity of the true donor from the public. The SFO charged seven people over donations to the Labour and National parties prior to the last election.

Frucor Suntory lost its appeal in a tax avoidance case brought by Inland Revenue, and must pay \$45,000 in costs. The Supreme Court agreed a \$204m funding deal with Deutsche Bank in 2003 amounted to tax avoidance.

Technology and IT

Pushpay signed its largest software-only agreement with the US army chaplain corps.

Service industries and healthcare

The government will close a pay gap between first-

year general practitioners and doctors who go into hospital as part of a push to increase by half the number of GPs trained in NZ each year.

Cannasouth said it was generating revenue from the sale of medicines imported into NZ.

Tourism

Tourism Holdings spent €5.4m (\$10.7m) in cash and shares to buy its outstanding 51% stake in UK-based Just Go motorhomes. **THL** bought a 49% stake in 2015, more than doubling its UK fleet to about 250 motorhomes.

Property

Beca will move its Auckland headquarters to Wynyard Quarter after signing a 12-year lease term for its northern regional hub with Precinct Properties.

Corporate actions

New Talisman Gold Mines agreed to pay former chief executive Matthew Hill \$145,000 in a settlement after he was fired by the board last Oct following shareholders pushing him and the board chair out.

Capital markets

The Financial Markets Authority’s annual KiwiSaver report said funds under management grew by 10% to \$89.7b for the year ended March. Investment returns were at \$1.3b, considerably lower than last year’s record \$13.1b gain, but up on the 2020 \$820m loss and more in line with a 2019 - which gained \$3.8b.

Property developer **Du Val Group** is dressing itself for an initial public offer on the Singapore exchange it will also seek a foreign-exempt listing on the NZX within the next few years.

Cooks Coffee Company wants to raise nearly \$6m as it eyes a second listing in the UK.

People

Diane Ruwhiu was appointed to the Productivity Commission board.

Beata Edling was appointed chief executive of TruScreen Group.

Craig Hudson, Xero’s former NZ managing director, is to become general manager of export customers for NZ Trade and Enterprise. 🇳🇿

