

The Hipkins reset

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Chris Hipkins is a pragmatic scrapper whose willingness to put three waters reforms and Auckland light rail up for review and to weather criticism from fiscal purists to keep reduced petrol excises in place and reintroduce RUC discounts should be taken as signs that there are few, if any, sacred cows for Labour other than any policy that could flow through to inflation.

Co-governance and Waitangi weekend

A key test of Hipkins's capacity to take the heat out of unwinnable issues without undermining his own base, particularly the Maori vote, comes this Waitangi weekend. Hipkins meets with the Iwi Leaders' Forum today ahead of Waitangi Day. The meeting is expected to focus on how a softened approach to co-governance – the most toxic of the three waters issues – could be achieved. The removal of the reforms' architect, Nanaia Mahuta, out of the local government portfolio is the strongest signal that this will be achieved. The ILF has been making pragmatic noises and may be assuaged if new arrangements reinvigorate its significance.

Inflation peaking?

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The most recent CPI and labour market data points to inflation starting to come off the boil. While there are still interest rate increases to come, they may be less aggressive than seemed likely late last year. The key question: when will the RBNZ start cutting rates? The likely answer is: not before 2024.

RMA reform – key issues emerging

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The outline of the main areas of debate on RMA law reform are starting to emerge. A draft submission from the Environmental Defence Society – an influential advocate – suggests some of the issues will be the same as ever: particularly the extent to which the legislation favours the environment over development priorities, the extent of ministerial powers, and the ordering and definition of the factors that consent-granters will need to take into account.

Cabinet and National shadow Cabinet reshuffles

We're taking the view that daily media have largely picked over the implications of the reshuffles announced in the last fortnight. Suffice to say that Chris Bishop, Judith Collins and Todd Muller are winners in the National Party shake-up, while Labour's elevation of new faces – particularly Ayesha Verrall and Jan Tinetti in the health and education portfolios – looks like a gamble. Neither is experienced, but Hipkins has achieved a clean-out of old faces at the top of the Cabinet. Nanaia Mahuta and Andrew Little, removed from local government and health, are clearly the biggest losers.

Union wage claims on collision course with restructuring plans

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The trade union movement will press hard for significant wage increases in the first half of this year, with emerging plans among business owners for restructuring and job-trimming creating the potential for industrial tension and political combustion.

Arden to Hipkins: from differentiation to 'adjacency'

The difference between Jacinda Ardern's Labour govt and the one Chris Hipkins is seeking to fashion is **the difference between offering a different choice vs a similar choice.**

Ardern had become politically polarising - still loved by many, but viscerally disliked by a growing proportion of the electorate.

The alternative PM, Christopher Luxon, presented a clearly differentiated choice. That difference is now largely erased. Not only do the two contenders share a first name, they are trading on similarly workaday slogans.

Rather than transformation and "nuclear free moments", Hipkins invokes "**bread and butter**" issues while Luxon repeatedly promises that a National-led govt will "**get things done**".

Hipkins is also in charge of trimming the govt's overburdened reform agenda and, it would seem, **attempting to buy the election**, where possible.

While petrol excise cuts and RUC discounts are only extended to June, it is hard to imagine them returning to previous settings unless there is a lot in the Budget for cost of living measures.

Such measures could yet include tax cuts to match or compete with National's - another way in which Labour could seek adjacency to National.

Intriguingly, **National is now talking about tax threshold indexation to the inflation rate** - although attempts to flesh out the detail have yielded no detail.

Meanwhile, the demotion of Nanaia Mahuta from the local govt portfolio appears to be a **precursor to at least a partial backdown on the Māori co-governance elements of the three waters policy.**

Other Maori MPs have been notably loyal to Hipkins's difficult decision on Mahuta, which he has leavened by ensuring **every Māori MP is either a minister inside or outside Cabinet, with the exception of the Speaker, Adrian Rurawhe.**

Willie Jackson, who may yet see the RNZ/TNVZ merger delayed gained elevated status, moving from 14th to 9th in the rankings, despite regular public demonstrations of poor political judgement.

The adjacency theme, at least for now, is borne out in the TVNZ/Kantar poll finding that both Hipkins and Luxon are level-pegging in preferred PM stakes. Much has also been made of the fact that Hipkins produced a higher "trust" score than Luxon. However, we are cautious about how this should be

interpreted.

Luxon appears to remain a somewhat uncompetitive political leader and "trust" as measured in polling can also equate with "knowledge of". Hipkins is a better-known political quantity than Luxon.

Note also that **approval Hipkins was far stronger among middle-income households in the Kantar poll, while disapproval of Luxon was highest among the over-70s.**

What else might Chippy cut?

Apart from those policies already mentioned, Hipkins appears to have a relatively limited number of options for substantial policy "resets".

The most obvious that would assuage business interests would be **to abandon the proposed unemployment insurance scheme**, the case for which has been seriously weakened in the current very tight labour market.

Transport Minister Michael Wood also signalled this week that the **Auckland Light Rail** project is not safe.

This is a **big switch**. Wood has previously seen the project as fundamental to his programme and the core of his previous campaigns for the Mt Albert electorate.

However, **where legislation is already advancing, such as three waters or resource management reform, there is scope only to tweak and simplify.**

Likewise, it is **too late to wind back the centralising health or polytechnic reforms** although newly minted Health Minister Ayesha Verrall was pointed in her focus on "this winter" and health workforce shortages rather than structural reforms in her first interviews.

Policies on which consultations are incomplete may be a more fruitful place for Hipkins to pare back the agenda, particularly on proposals that could raise prices.

For example, there would appear to be **only limited political downside in delaying or temporarily burying the consultation on creation of a deposit scheme for plastic container recycling.**

Restive unions, cost-cutting bosses

Also unstoppable is the push for **at least one or two Fair Pay Agreements before year's end**, along with signs that the union movement is restive for significant pay increases, justified by tight labour market conditions.

However, that is a rearview mirror approach from the perspective of company owners and managers contemplating recessionary conditions this year.

There is significant potential for the wages push to meet head-on a wave of restructures and redundancies. This would be **deeply problematic for Hipkins if a wave of industrial action disrupts economic activity during a recession.**

However, the union movement is already dissatisfied with the pace and scale of the gains it's achieved in nearly six years of Labour-led administrations.

Restraint, particularly if Labour's polling sags again after an initial Hipkins honeymoon, may not be forthcoming.

Brown mulls Miller for POAL

Auckland mayor **Wayne Brown appears to be keen to rehabilitate former KiwiRail CEO Greg Miller by backing him for membership of the board of Ports of Auckland Ltd.**

Brown confirmed the idea as "good thinking once I get past the storm" in a text this week.

The expectation is that he would support Miller as a director, with an eye to promoting him to chair if and when the incumbent, Jan Dawson, steps down at the end of her current term, in Oct.

Brown and Miller see eye to eye on moving much of Auckland's sea freight to Northport, in line with the study into moving the Auckland port that Brown chaired for the 2017-20 gov't. That project reflected the heavy influence of NZ First, with both Brown and Miller members of the informally labelled "Northland mafia" that backed the port swap.

Miller left the top job at KiwiRail ahead of the findings of a culture and conduct review that focused on his behaviours at the rail company.

Having incinerated considerable political capital in his first few months as mayor, however, **Brown may find appointing Miller an uphill battle.**

The Auckland Council, rather than the mayor alone, decides collectively on board appointments, and **Miller claims to have heard nothing of the idea.**

Who made the bigger mistake?

The media and Brown's political opponents declared open season on the mayor this week as he stumbled through the crisis communications created by the Auckland floods.

However, it is **arguable that the bigger mistake – rapidly rescinded – was the decision to close Auckland schools for a week.**

That happened on the same day as Hipkins appointed Michael Wood as Minister for Auckland – mirroring National's appointment of Simeon Brown as the shadow Auckland minister.

In part, that portfolio reflects the fact that the country's largest city / voting pool is still **easily triggered by memories of the 100-plus days covid lockdown in 2021.**

Closing schools without notice was a stark reminder of that time, and of the view that took hold widely that the gov't was becoming too used to over-reaching in its public controls.

Polls

Labour has clawed back support from disillusioned centre left voters since Chris Hipkins became PM.

The two TV channels' regular political polls saw Labour rise at the expense primarily of the Greens, NZ First and Te Pāti Māori.

Note also that the **1News Kantar** poll found a surprisingly strong rebound in economic sentiment to levels similar to the beginning of last year. Having slumped to only 18% of respondents seeing improving economic conditions ahead in Dec, that figure bounced in the Jan poll to 28%. Negative economic sentiment fell from 61% to 41% between Dec and Jan.

The **Newshub-Reid Research Poll** indicates a change of leader boost for Labour. It rose 5.7 points to 38%, while National was at 36.6%, down 4.1 points. The Greens fell to 8.1%, down 1.4 points. ACT fell 0.7 to 10.7%. NZ First dropped back 1.1 points to 2.2% and Te Pāti Māori 1.8%, down 0.1. The poll was conducted between Jan 22 and Jan 27.

Kantar put Labour on 38% up 5 points since the last in the series and National at 37%, down one point. The Act party is down one point at 10%, the Greens on 7%, down two points, NZ First on 2%, down two, and Te Pāti Māori on 1%, down one. The poll was taken between Jan 25 and 29

In the **1News** poll Labour leader Chris Hipkins had a net approval rating of 36 points, while Christopher Luxon trails on nine points net approval. The Newshub poll asked voters whether they trusted both the major party leaders. The results show 52.9% said they trust Hipkins, while 26.9% didn't trust him. For Luxon, 36.9% said they trust him, while 43.8% said they didn't.

The latest **Roy Morgan** poll taken during the month of Dec 2022 put Labour's support at 27.5% (up 2 percentage points since the Nov poll), National 35%

Kirton to Hive

Former Labour Party president Andrew Kirton is to be Chris Hipkins's new chief of staff, but his Labour roots may be less significant than a more recent stint as gov't relations manager for Air NZ under then-CEO Christopher Luxon.

Kirton has seen the National Party leader up close – a potential source of advantage for Hipkins in reading his rookie opponent's next move.

POLITICS AND POLICY

(-4), ACT: 14.5% (+3.5), Greens, 11% (-1), Te Pāti Māori 4% (-) and NZ First 4% (+0.5). If these results were repeated at this year's election the National/ACT coalition would likely secure 65 seats in the new Parliament compared to 50 seats for Labour/Greens and a further five seats for the Māori Party.

The Roy Morgan Government Confidence Rating said in Dec 2022 a record high of 57% (up 2 points) of electors said NZ was 'heading in the wrong direction' compared to a record low of under a third, 32% (down 3 points), who said it was 'heading in the right direction'.

Auckland floods

There was serious flooding in Auckland and the wider north with four people dead and severe damage to housing and infrastructure over widespread area.

Infometrics principal economist Brad Olsen estimates the cost of Auckland's extreme weather event on the weekend could be as high as \$466m, based on prior flood events and population figures. Olsen also warned the weather event will have an inflationary impact, with building costs still rising at a higher-than-normal rate.

Wellington Central up for grabs

With announcements by Finance Minister Grant Robertson and Greens' co-leader James Shaw announcing they will not contest the Wellington Central electorate, the **race for the seat is wide open**.

Nicola Willis had already announced a switch to stand in Ohariu, where she believes she can get better cut-through targeting middle-income families rather than the high income but traditionally Labour-leaning Wellington Central.

Robertson's move is workload-related. Among the reasons he didn't seek to replace Jacinda Ardern was his own depleted energy levels - along with concerns that his sexuality would become a lightning rod for

the kind of toxic politics that contributed to Ardern's departure.

Less clear is whether the activist wing of the Green Party forced James Shaw's hand. Late last week, he posted on social media that "I intend to put myself forward for selection" in Wellington Central but noted "our local branch not yet held its candidate selection meeting".

On Thursday, he swung in behind Wellington city councillor Tamatha Paul for the nomination. Once again, the antipathy of the Greens' left wing towards Shaw appears to be on display.

The seat has been a safe one for Labour in recent times.

Nats on foreign direct investment

Among notable elements of Christopher Luxon's reshuffle of the National Party's shadow Cabinet was the return of Judith Collins to rank at ninth. Significantly, she has had a new foreign direct investment portfolio added to her digital economy and RS&T responsibilities.

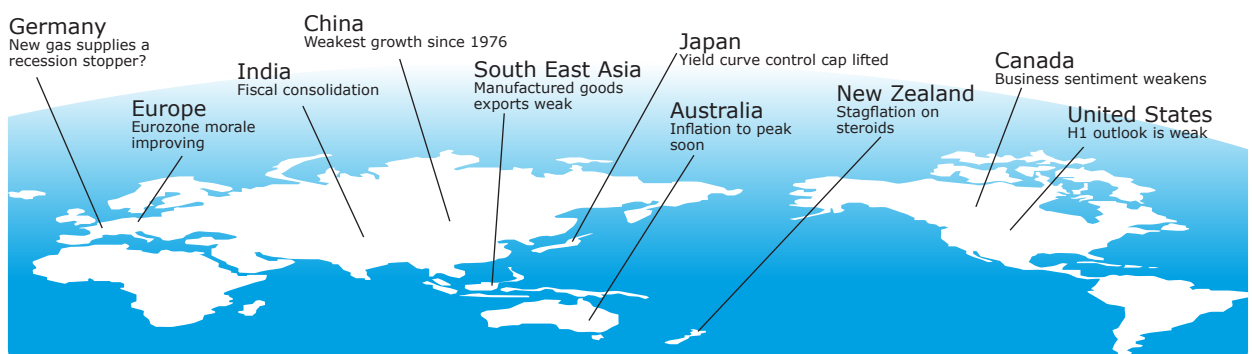
Luxon is signalling a **reinvigoration of FDI as a key plank in National's platform for getting the NZ economy cranking again**. To supplement her new role, Collins also gets responsibility for Land Information NZ, which runs the Overseas Investment Office.

Meanwhile NZTE announced the members of an advisory panel which will meet monthly from Feb to decide which investments qualify for a special weighting bonus aimed at steering migrant investors towards more "active" investments.

Bishop's crucial role for Nats

Overshadowed by Jacinda Ardern's resignation and subsequent events, Christopher Luxon's shadow Cabinet reshuffle was perhaps most significant for

The world at a glance



the way it **further strengthens Chris Bishop.**

Already ranked third, the Hutt MP takes on responsibility for National's response to the RMA reforms. This **effectively sidelines mid-level toiler Scott Simpson, who retains the environment portfolio.**

Also **firmly back on the map is National's short-lived leader, Todd Muller,** who takes both the agriculture and climate change portfolios. The latter previously sat with Simpson and before that with lowly ranked Stuart Smith.

The signal to Simpson, the MP for Coromandel since 2011, is hardly encouraging.

RMA reform friction points

As a key advocate in the consensus that emerged across business and environmental lobbies that the RMA required reform, the **Environmental Defence Society's reaction** to the draft legislation currently before select committee is important.

The society's draft submission on the Natural and Built Environments Bill (NBEB) is therefore **a reasonable guide to where the substantive arguments over the bill are likely to occur.**

Some will inevitably be re-runs of the same debates as have long marked the RMA debate.

In particular, EDS's contention that – despite its name focusing on the “built environment” – **the NBEB “needs to be thought of as an environmental statute, not a development enabling statute”.**

It expresses particular **concerns about the extent of ministerial powers to over-ride the provisions of the new regime for major infrastructure projects,** and expresses doubts about how well the concept of offsets in other places is codified.

As parliamentary commissioner for the environment, Simon Upton, has previously predicted, EDS also sees issues with the **lack of prioritisation among competing objectives in the bill.**

It worries also that “the language and concepts used in the NBEB are vague and overlapping” and “will create uncertainty and invite litigation and conflict”.

The new concept of **Te Oranga o te Taiao is also “too broad and vague”,** EDS says.

National is likely to push this issue strongly, fearing that the introduction of this concept without clear definition will create a field day for lawyers and require significant common law interpretation.

Ministerial discretion “to determine whether, and where, to set minimum level targets for degraded environments” **is too great,** EDS suggests.

It argues that **definitions of environmental limits and targets “should be fundamentally reframed”** and should avoid allowing settings that “average out harm”. This would **avoid “excessive offsetting and the ability to ‘hide’ pockets of significant degradation”.**

EDS also **questions whether fast-track processes created during the covid era to hasten housing supply, which the NBEB retains, are still justified.** 🏠

Trading partner growth

(2021 actual; 2022-2025 Hugo and Consensus Forecasts)

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
China	36.2	8.7	2.9	4.6	5.3	4.9	0.9	2.0	2.3	2.3	2.3
Australia	15.4	5.2	3.6	1.6	1.8	2.3	2.9	6.5	5.0	2.8	2.5
United States	12.6	5.9	2.0	0.3	1.1	1.8	4.7	8.0	3.8	2.5	2.0
Japan	6.4	2.2	1.2	1.2	1.1	0.8	-0.2	2.4	1.9	1.2	0.9
Eurozone	5.4	5.3	3.3	0.0	1.2	1.6	2.6	5.4	5.9	2.4	2.0
South Korea	3.4	4.1	2.6	1.2	2.2	2.4	2.5	5.1	3.1	1.9	2.0
United Kingdom	2.8	7.6	4.2	-1.0	0.6	1.6	2.6	9.0	7.2	3.1	2.5
Singapore	2.1	7.6	3.6	1.7	2.5	2.5	2.3	6.1	4.7	2.4	2.0
Hong Kong	2.2	6.3	-2.9	2.8	3.4	3.1	1.6	1.9	2.1	2.0	2.0
Taiwan	2.4	6.5	3.1	2.1	2.6	2.1	2.0	3.0	1.9	1.6	1.6
Malaysia	1.8	3.2	8.9	4.0	4.2	4.3	2.5	3.4	3.0	2.3	2.5
Indonesia	2.3	3.7	5.2	4.5	5.0	5.1	1.6	4.2	4.1	3.1	2.8
Thailand	1.8	1.6	3.2	3.7	3.7	3.4	1.2	6.1	2.9	1.9	1.7
Philippines	1.2	5.5	7.1	5.1	5.7	6.0	3.9	5.8	4.9	3.3	3.1
Vietnam	1.6	2.6	8.0	5.8	6.4	6.0	1.8	3.2	3.8	3.3	3.1
India	0.9	8.3	6.9	5.7	6.3	6.0	5.5	6.7	5.0	4.9	4.7
Canada	1.4	5.0	3.5	0.4	1.6	2.2	3.4	6.8	3.7	2.2	2.4
NZ Trading Partners	100.0	6.4	3.1	2.6	3.3	3.3	2.1	4.4	3.4	2.4	2.2
Forecasts for New Zealand											
Consensus		6.1	2.8	1.4	1.0	2.6	3.9	7.1	5.1	2.6	2.0
BNZ Forecasts		6.1	2.8	1.2	0.3	2.6	3.9	7.1	5.5	2.7	2.0
The World		5.9	2.9	1.6	2.5	2.5	3.6	7.4	5.8	4.0	

DOMESTIC ECONOMY

Inflation - 50bps hike on Feb 22?

Slightly weaker than forecast labour market data for Dec may have **tipped the scales in favour of a 50 rather than a 75 basis points** increase in the Official Cash Rate at the RBNZ's next review, on Feb 22.

The RBNZ had forecast unemployment at 3.2% for the Dec quarter, but it came in at 3.4%. The difference is not huge, but it is significant enough to shift expectations.

That followed the third annual CPI reading of 7.2% in a row, which also **suggests that inflation is peaking**.

However, the RBNZ's surprise 75bps hike in November has had the effect of making a 25bps increase most unlikely. The BNZ expects 50bps and has reduced its expected OCR rise in April to 25bps from a previous forecast of 50bps.

If borne out, then current trends suggest that inflation is currently peaking and that **interest rates could be falling by early 2024**, although not in time to avoid a mild recession or to provide any relief to mortgage holders before the election, still scheduled for Oct 14.

However, rate cuts may be less aggressive than markets are currently pricing, albeit that pricing starts the rate reduction process from a 5.25% cash rate starting point, higher than is perhaps now likely.

Notwithstanding that emerging outlook, **labour market data still shows a domestic economy that is running hot enough to generate inflation above the 1-to-3% target band**, even if unemployment has now troughed.

In other words, peak pressure on the labour market and inflation appears to be behind us, but **the turning point is slow**, particularly if the expectation is that the non-inflationary rate of unemployment is 4.5%. That's still a long way off, although recessionary pressures may soon start to produce quarterly net job losses.

Migrant labour hurtling in

The **worm is also turning on the shortage of migrant workers**, which has been such an exacerbating factor in labour shortages. The working age population grew by 0.2% in Q4 of last year, still well below the routine 0.6% increases seen pre-covid, but a notable shift from zero. That **growth rate is likely to accelerate over the next 12 months** as borders open, and particularly if the Hipkins govt is even more amenable to backtracking on the previous immigration "reset" as it seeks to pull all levers for re-election.

With total employment expected to be falling by mid-year and immigration rising, the recipe for a higher

unemployment rate appears baked in.

Q4 wage data was also a little weaker than anticipated. The Labour Cost Index (LCI) – a key private sector measure – rose 4.3% in 2022, just below the RBNZ's forecast of 4.4%. That said, **for the RBNZ to be comfortable with, the annual increase in the LCI needs to be around 2%**.

With all key indicators now pointing in the same direction, it appears reasonable on balance to expect the RBNZ to moderate its late 2022 stance, which it adopted in an effort to force a shock to inflationary expectations, which appeared at that time to be getting out of control.

CPI detail

The Dec quarter CPI increased 1.4% with a 7.2% annual increase in the year to Dec. This was below the 1.7%/7.5% that the Reserve Bank had forecast. The main drivers were housing and household utilities, which increased by 8% due to rising prices for both constructing and renting housing. Housing rental prices increased by 4.4% in the 12 months to Dec, down from the annual increase of 4.6% in the Sept quarter. Food prices were up 11% with transport prices increasing 8.4%, influenced by passenger travel services rising 13% and private transport supplies and services up 5%.

Confidence

Business confidence bounced back in Jan according to ANZ's Business Outlook Survey, but remained very low at a net -50%. Expected own activity outlook also improved, up from -26 to -16. Cost and price expectations both increased and remain elevated. ANZ economists said, "some of the shock value of the Nov rate hike and talk of a 'deliberately engineered' recession appears to have worn off".

The Westpac McDermott Miller **regional confidence survey showed households across the country were pessimistic about the economy**, with rising interest rates and consumer prices weighing on household budgets. That was worst in Northland and Auckland with net pessimism of 35% and 40% respectively. The least pessimistic regions were Nelson/Marlborough/West Coast and Otago at 4% and 13% respectively. Both benefited from the return of international tourists.

Crown accounts

The govt collected \$78m more tax than forecast for the five months ended Nov while its expenses were up \$742m on forecast, partly driven by rising interest rates. The operating deficit, excluding gains and losses on govt-owned assets, was \$2.44b. ■

Primary Sector

Kiwifruit growers are asking **Zespri** for an explanation after growers were told they wouldn't receive progress payments next month. Zespri chief executive **Dan Mathieson** said fruit quality issues were worse than previously thought, meaning they were being sold for less in overseas markets. Zespri is considering reducing payments to green kiwifruit growers – likely by more than 60c per tray for green and 50c for green organic growers.

Livestock Improvement Corp reported a half-year net profit after tax of \$33.3m, down 6.4% from the same period last year, but in line with market guidance. The fall in profit was attributed to cost pressures, with revenue up 4.6%.

Energy and resources

Parliamentary Commissioner for the Environment Simon Upton issued a hurry-up call to the government on preparing a national energy strategy. Investment decisions risked being made by industry players before then and setting the future direction for electrification and decarbonisation in ways that might suit current players – particularly generator-retailers – than the national interest, he said.

While saying he was not a “card-carrying” supporter of the **Project Onslow pumped hydro proposal**, and that its construction costs and feasibility had yet to be established, Upton cast doubt on the opposition to the plan from gen-tailers. Current power suppliers were happy to keep tension in the wholesale electricity market to profit from periods of high spot prices and claims that Onslow was “chilling” investment were disproved by the explosion in new renewable energy proposals in the last couple of years.

Manawa Energy's quarterly operating report said inflows were strong across the period, 48 GWh or 11% higher than average. This was driven by very strong North Island inflows with generation 35% higher than the previous period, partially offset by below-average South Island generation which fell 28%.

Mercury NZ said one of the wettest ever Dec quarters in its Waikato catchment meant its hydro generation rose 38% on the same three months of 2021 to 1,281gwh. The company's hydro spill was 386GWh for the quarter and 675GWh for the six months ended Dec to keep lakes within operating levels.

Other generators reported similar patterns with heavy rain in the north being offset by sinking hydro lake levels in the South Island.

Vector's total electricity connections rose 1.7% to 606,802 in the six months ended Dec, compared with Dec 2021. It added 7,873 new connections in the latest six months, up from 6,603 in the same period a year earlier.

Westland Mineral Sands started mining and exporting heavy mineral concentrate from a 22-hectare site near Cape Foulwind, despite opposition to the mine.

Genesis energy's customer numbers increased by 2.5%, to 481,000, relative to the same period last year.

Banking, finance and insurance

Westpac increased fixed rates on all terms of two years or less by 10 basis points and dropped its four-year rate by 10 points, and five-year rate by 30 points following similar moves by other major banks.

The **Co-operative Bank** is refunding \$6.3m worth of fees to customers following review of the company's credit fees due to the amended Credit Contracts and Consumer Finance Act.

ASB removed monthly transaction account fees for 12 business and two personal accounts, which the bank said will cost it \$14m this year.

Telecommunications, media and entertainment

National Business Review owner and publisher Todd Scott confirmed he's selling part of the business to an undisclosed investor but said it wasn't Rupert Murdoch's News Corp. Scott will become a minority shareholder, he said, with a 49% stake.

MediaWorks intends laying off up to 90 staff members in an effort to cut costs due to inflationary pressures and a likely recession.

Wholesale and retail

The Warehouse Group proposed cutting 190 jobs at its Auckland support offices due to challenging market conditions.

The return of foot traffic at **Kiwi Property Group's** mega shopping centres helped generate a record \$1.7b of sales at those precincts. Sales performance was 26% higher than in 2019, although consumer prices also increased 13.6% between Dec 2019 and Sept 2021.

Costco Japan nearly sold through its first order of 540,000 Cookie Time cookies and placed a second order to quadruple the amount. Cookie Time is expecting to double its \$55m revenue in the next three to five years as it expands to new markets.

Restaurant Brands' sales increased 16.9% for the

CORPORATE ROUND-UP

quarter ending Dec 31 – an increase of \$330m from the previous corresponding period as it recovered from the impacts of the pandemic in NZ and Australia. Restaurant Brands said it's still experiencing significant cost inflation across all regions and was increasing price where possible.

Transport

An **airport-based green hydrogen plant** is being proposed to prod NZ's aviation sector towards a low-emissions future. A report from the Ministry of Business, Innovation and Employment and consultants Arup said all roads lead to hydrogen in aviation, but the first steps would be fuelling ground vehicles.

US airline **Delta** will start a direct daily service between Los Angeles and Auckland with the first direct flight scheduled for Oct 30 on an Airbus A350-900.

Air NZ is increasing its services to Shanghai from flying three times to four passenger services a week from Feb 4. This doubles Air NZ's flights to the Chinese city from the end of last year.

Courts, legal and regulation

Westland Dairy Company denied almost all the Irish dairy co-operative Ornuua's claims for trademark infringement over its butter brand and counterclaimed for a permanent injunction stopping Ornuua from making trademark claims against it, saying it is anticompetitive conduct.

Technology and IT

Serko upgraded its revenue guidance for the current financial year to be in the range of \$42m to \$47m, an increase of between 123% and 149% respectively on a total income of \$18.9m for the 12 months to 31 March 2022.

Ubiquitome received US FDA approval for its Liberty16Pro covid-19 saliva tests, but can't get authorisation for it in NZ.

Customs-clearance SAAS firm **TradeWindow** is seeking \$20m in new capital from shareholders, saying this will see it through projected cash burn over the next two years, after which it is projecting it will be cashflow positive.

Sole trader accounting software firm **Henry** raised \$35m in a Series B round involving both NZ and offshore investors. The company has raised \$60m since 2018 and is doubling Australasian headcount to 150.

Healthcare

AFT Pharmaceuticals signed a licensing and distribution agreement with Slovenia's Salus Pharmaceuticals, spanning nine eastern European countries.

Services

Listed recruitment firm **Accordant** has acquired executive search firm **Hobson Leavy** for an undisclosed sum.

The **BNZ-Business NZ performance of services** index (PSI) fell 1.7 points to 52.1 in Dec, holding above the 50 level that separates expansion from contraction. However, that pace of growth slowed markedly from the 58.6 reading in Aug and was below trend.

Capital markets

Hugh Stevens resigned as chief executive of NZX subsidiary **Smartshares**, although he will stay on for a few months to ensure a smooth transition to his yet to be appointed successor.

Sharesies announced a restructuring and signalled job losses to cope with reduced trading volumes after the spike driven, in part, by individuals taking to sharemarket investing during pandemic lockdowns.

Buy now, pay later firm **Laybuy** is seeking shareholder approval to voluntarily delist from the ASX to reduce compliance costs.

People

SkyCity Entertainment Group will appoint Sydney-based **David Attenborough** as a non-executive director subject to regulatory approval. Attenborough was chief executive of ASX-listed Tabcorp Holdings for more than 12 years and before that worked as chief executive of Phumelela Gaming and Leisure in South Africa.

Former Auckland Transport chief executive **Shane Ellison** joined Auckland Light Rail as a director. ■