HUGOvision

Assessing the economic and political environment in New Zealand

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POLITICS AND POLICY

Hipkins, the un-announcer

Chris Hipkins's prime ministership is at risk of becoming defined for a series of "un-announcements".

The most significant elements of the first of the season of pre-Budget speeches, on Thursday, were announcements that the govt would not implement a cyclone recovery tax and would not pursue a capital gains or wealth tax in the Budget.

This had the advantage of immediately shutting down what had seemed like a fortnight of coat-trailing on wealth taxes ahead of David Parker releasing research into tax paid by the wealthiest NZers one day before Hipkins's speech.

Hipkins said there would be "no major" tax changes in the Budget.

This theoretically leaves room for minor changes, which could conceivably include a change to align the rate of tax on trusts with the top personal tax rate.

Equally theoretically, Labour might yet announce election policy that includes a tax switch package.

We are not holding our breath.

If Hipkins had wanted to keep the wealth tax issue alive, Thursday's speech was the place to do it, even if it wasn't to be a pre-election move.

He didn't, and nor did the speech mention the concerns expressed a day earlier by the Climate Change Commission that NZ is moving too slowly to meet its emissions reduction targets.

Instead, he doubled down on the "bread and butter" rhetoric, promising a "no-frills" Budget and focus in three key areas: skills, science and technology, and innovation.

However, with skills training tied up in knots by the inept execution of the Te Pukenga polytech mega-merger, it is hard to see what Hipkins has to offer in this realm.

New science and technology policy in the Budget could include taking on board the recommendations of the recent **advanced manufacturing industry transformation plan,** which sought new approaches to **accelerated depreciation.**

CEO Retreat 2023

The next Hugo Group CEO Retreat is scheduled to run from **dinner on Thursday September 7 to lunch on Saturday September 9 at Millbrook Resort**.

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.

Wealthy taxpayer research – Parker's note to the future?

David Parker's treasured dive into the "economic income" of wealthy NZers is useful mostly for its political benefit to wealth tax enthusiasts.

However, the IRD and Treasury research released this week is a useful contribution to the inter-generational trend that is likely to see wealth taxes adopted, if not this decade, then at some time in the future.

The headline from the research – that wealthy people are paying a median effective tax rate at about half the rate of the average wage slave – delivers a stage on which the govt can justify further imposts on high income earners.

However, the surprise in some quarters must have been that the ETR gap wasn't larger.

The reality is that it is far larger for some taxpayers, and smaller for others. The IRD research notes this capacity for extreme variability.

The $14b of largely accrued rather than realised capital gains enjoyed by the cohort of 311 taxpayers included in the IRD project is also a bit of a headache for Labour.

That increase compares with a relatively paltry $1b increase in 2017 for the same group.

The difference is covid-era fiscal largesse and RBNZ money-printing inflating asset prices.

Had the IRD project been timed to include the 2023 tax year, many of these wealthy taxpayers may well have reported capital losses.

In a purely technical sense, the reports do little more than put numbers on what we already knew thanks to Thomas Piketty – asset owners pay lower effective tax rates than those who pay tax only on their wages and salaries.

Politically, however, the report is useful at least as a way to argue against the need for lower personal income tax rates.

What it does not do is make any case for leaving personal income tax thresholds where they are. After 13 years without adjustment, tax relief for middle income earners through threshold adjustment remains the single, simplest tax reform. National is already promising this. What will Labour do?

ETS/forestry reform proposals

The Climate Change Commission has laid out a suite of possible reforms to the way the ETS treats forestry to avoid what it warns could be a boom/bust dynamic that current settings may encourage.

Among the options is to reduce the free allocation of NZUs to trade-exposed major emitters, which the commission suggests are already higher than they need to be and will fall as emissions-reducing technologies emerge.

Other proposals that it recommends to the govt to reform what it sees a particularly problematic aspect of the ETS are:

- Limit the proportion of forestry-based NZUs that an emitter could surrender into the ETS.
- Allow NZUs from permanent native forest to trade at a premium to exotic plantation forestry.
- Impose a minimum NZU price and an additional fee system for emitters.
- Limit the amount of forestry that can be registered in the ETS each year, possibly requiring an auction system.
- Create a separate, project-based mechanism for forestry.
- Make forestry units less valuable than others by introducing an exchange rate for them in the ETS.
- Prevent NZU banking by giving them an expiry date.

The recommendations are among the meatiest elements of the CCC's draft advice to the govt on the second emissions budget period, from 2026-30.

Submissions on that advice are open for eight weeks, due June 20.

The document contains 19 core recommendations, but the forestry/ETS nexus is the subject of the most detailed examination and reform proposals.

The report is also very notable for the way it pushes the view throughout that successful decarbonisation of the rural sector can be more successfully achieved by deep involvement of iwi/Maori.

This is a strongly held personal view of the commissioner, Rod Carr. In the forestry context, also, the issues are acute because of the extent to which Maori landowners have been turning marginal and hard-to-access Maori land parcels to carbon farming.

Forests unlimited limits

Also noteworthy in the context of the debate about the potential for forestry to overwhelm existing farming communities, the advice emphasises that there is more far more land suitable to put into forestry than there is likely to be demand for NZU credits created by forests.

However, this is only true if emissions reductions or other forms of emissions offsets emerge. While carbon forests could get NZ to its net zero emissions target by 2050 with relative ease, it would not be able to sustain that position without ongoing new planting.

As it is, the commission suggests there will be enough NZUs in circulation by 2036/37 to create a price crash, for lack of demand.

If foresters see this coming, there is also potential for a boom-bust approach to plantation forestry for harvest over the next 10 to 15 years.

This is the essential problem with carbon forestry – it is an easy low-cost option for offsetting emissions, but it does little or nothing to prepare the country for a low carbon world while creating other economic, social and political challenges in its own right.

The CCC had already warned this month that the ETS's price settings weren't working as they should in helping reduce emissions.

The commission's second round of annual advice on the scheme settings recommended reducing the number of units available, raising the trigger price for the cost containment reserve and auction reserve price, and changing to a two-tier cost containment reserve.

Ag emissions policy

Meanwhile, agricultural emissions pricing policy looks unlikely to be settled before the election.

Despite being on the agenda since Labour method and price has eluded ministers.

The govt's current plan is to price emissions at the farm level from 2025.

The Climate Change Commission wants the emissions price set high enough that it drives gross emissions downwards.

The sector disagreed, and in Dec last year the govt agreed to price pathway from 2025 to 2030 that would set the emissions levy at the lowest possible level. This was much to the chagrin of Climate Change Minister James Shaw who agreed to disagree with his Labour colleagues.

Other parts of the plan, like the extent to which riparian planting will be eligible for offsets are also up in the air. Farmers want more planting recognised by the existing system, which would limit their liabilities, but the govt is keen to use the emissions price to drive down emissions.

Most parts of the plan are agreed, with final decisions to be made in the next couple of months.

The emissions price, however, is still contested

No to private nurse training

Ideological capture appears to be preventing privately run UP Education from opening an enrolled nursing facility that is sitting empty in central Auckland.

A simple regulatory change to align with Australia has been shelved in favour of a full review of nurses' training.

While the NZ Nurses Organisation campaigns over the lack of between 4000 and 5000 nurses, it also only supports nurses training occurring through Te Pukenga, the state provider that is mired in delays and has significantly poorer educational outcomes than UP.

Ironically, enrolled nurses trained by UP in Australia are able to work in NZ hospitals.

between Labour and the Greens (although Labour, availed of an outright majority, do not need the Greens to legislate their plan).

Both parties are reconciled to taking their respective positions to the polls in Oct and deciding a final plan post election.

National's ag emissions policy

National is supportive of the idea of agricultural emissions pricing, but wants something closer to the sector-led He Waka Eke Noa proposal, which was a split-gas system with prices set by a board with representation from the sector.

National's recently released first tranche of agricultural policy said ag emissions would not be brought into the ETS.

The key difference between this and the govt's approach is that under the govt's system, ministers set the price after advice from the Climate Change Commission and consultation with the sector.

Detailed policy from National on this subject is expected in the next month or so.

National is also considering how to speed up regulatory approvals for biotech solutions that could help to reduce ag emissions. This focus reflects frustration that GE solutions are too difficult to implement in NZ and that farmers need technologies that will allow them to reduce emissions.

Trans-Tasman relations

The Australian govt's announcement of a direct pathway to citizenship for NZers set off a round of media commentary to the effect that Australia has only done this now because it has a labour shortage.

This is an immature reading.

NZ has been seeking a restoration of rights that were meant to have been guaranteed by the CER arrangements on free movement between the two countries.

Wound back by John Howard's Liberals in the 1990s and made worse by Scott Morrison, particularly the deportation of NZ-born but Australian-raised ex-prisoners, was a serious irritant in the relationship.

Australian Labor Party govts have historically been more kindly disposed to NZ and this change reflects that rather than a raid on the NZ labour market. The reality is that NZ has long had net outflows to Australia, which stopped for several years in the late 2010s. That pattern has now resumed.

Cyclone recovery

Announcements are expected reasonably soon on the bones of a managed retreat policy to prevent rebuilding in places that are vulnerable to repeat flooding and other extreme weather risks.

Climate Change Minister James Shaw signalled immediately after Cyclone Gabrielle that the govt had a matter of months to stop this from happening.

Residents in affected properties this week received a timeline suggesting Cabinet decisions before the end of June, although some decisions could come sooner.

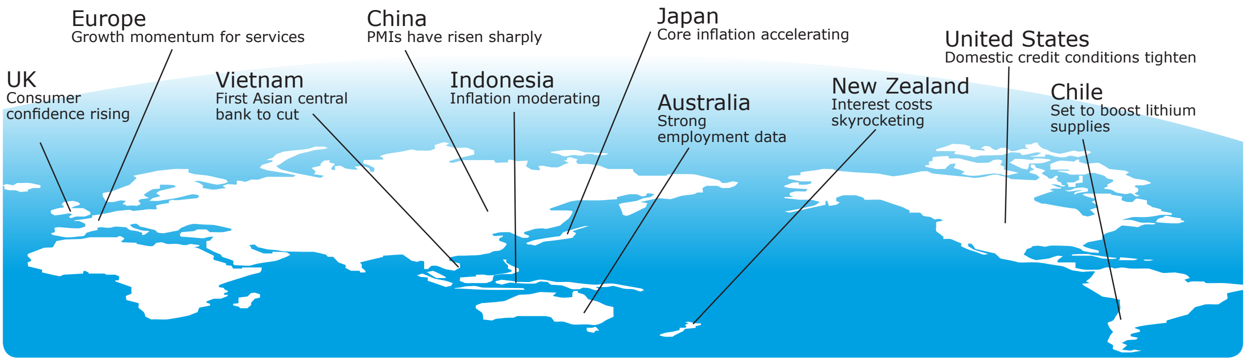
The question of where to rebuild and how to compensate people when the govt declares their land no longer fit for habitation slots into a much bigger question around managed retreat, which has been moving at glacial pace since the govt said it would look at legislation in 2020.

Shaw is negotiating national-level rules around retreat and a mechanism that would fund the cost of paying people out with National's climate change spokesman Simon Watts who took over from Todd Muller last month.

The govt looks **likely to proceed with a more immediate fix in the near term** however in the form of a National Policy Statement under the RMA.

This policy statement would give councils direction

The world at a glance



on how to designate land and whether it is suitable for future rebuilding or not.

The newly passed Natural Hazards Insurance Act 2023 may assist, although it does not take effect until July 1 2024.

Meanwhile, Chris Hipkins confirmed the govt's **working estimate of the cost of the early new year storm and cyclone damage at between $9b and $14.5b**, "more than the Kaikōura earthquake but significantly less than the Canterbury quakes".

There would be **no cyclone levy** required to meet those costs, with the govt having balance sheet capacity to fund recovery. Hipkins indicated a **big focus on infrastructure and resilience in the Budget on May 18.**

Candidate selection woes

An attempt to delay voting by thousands of Green members on party list rankings failed this week, with voting beginning today.

Barring adjustments for regional, gender and ethnic diversity, the members' say is final. It's terrible timing for Elizabeth Kerekere whose embarrassing "crybaby" message apparently referring to Chloe Swarbrick has sparked a full-on party investigation.

Leaks from multiple party sources have alleged bullying and the internal party investigation is on the verge of escalating to the point an external investigator needs to be brought in (the cost of this is an important consideration for the cash-strapped Greens).

Final results are expected in May.

Kerekere is from the radical left of the party and has spent two years travelling party branches consulting on a new Maori strategy for the Greens.

The anti-Kerekere camp may equally find their campaign backfires if she has built a grassroots following.

National also suffered another embarrassment, losing Taieri candidate Stephen Jack after his social media profile revealed some off-colour posts.

Labour's electorate selection races are also delivering surprises, with outsiders trumping preferred candidates.

Software engineer and housing advocate Oscar Sims beat list MP Naisi Chen (who in 2020 had the unenviable task of running in Botany against Christopher Luxon) for the Auckland Central nomination, while new list MP Dan Rosewarne lost the selection in the safe Labour seat of Christchurch East, vacated by Poto Williams, to TV producer Reuben Davidson.

Perhaps most surprising were Helen White beating Camilla Belich winning selection for Mt. Albert, held previously by Jacinda Ardern and Helen Clark and Ibrahim Omer's selection for Wellington Central against former president Claire Szabo.

Trading partner growth

(2021-22 actual; 2023-2025 Hugo and Consensus Forecasts)

Trading partners		GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
	Weights %	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
China	36.2	8.7	3.0	5.5	5.1	4.9	0.9	2.0	2.2	2.4	2.3
Australia	15.4	5.2	3.7	1.6	1.7	2.3	2.9	6.6	5.5	3.0	2.5
United States	12.6	5.9	2.1	1.1	0.7	1.8	4.7	8.0	4.3	2.6	2.0
Japan	6.4	2.2	1.0	1.1	1.1	0.8	-0.2	2.5	2.5	1.4	0.9
Eurozone	5.4	5.3	3.5	0.7	1.0	1.6	2.6	8.4	5.5	2.4	2.0
South Korea	3.4	4.1	2.6	1.1	2.2	2.4	2.5	5.1	3.2	1.9	2.0
United Kingdom	2.8	7.6	4.1	-0.2	0.8	1.6	2.6	9.1	6.4	2.8	2.5
Singapore	2.1	7.6	3.6	1.7	2.5	2.5	2.3	6.1	4.8	3.0	2.0
Hong Kong	2.2	6.3	-3.5	3.9	3.6	3.1	1.9	1.9	2.5	2.3	2.0
Taiwan	2.4	6.5	2.5	1.8	2.6	2.1	2.0	3.0	2.0	1.6	1.6
Malaysia	1.8	3.2	8.7	3.6	4.5	4.3	2.5	3.4	2.9	2.3	2.5
Indonesia	2.3	3.7	5.3	4.6	4.9	5.1	1.6	4.2	4.0	3.1	2.8
Thailand	1.8	1.6	2.6	3.5	3.8	3.4	1.2	6.1	2.7	2.0	1.7
Philippines	1.2	5.5	7.6	5.4	5.7	6.0	3.9	5.9	6.0	3.4	3.1
Vietnam	1.6	2.6	8.0	5.4	6.5	6.0	1.8	3.2	3.6	3.1	3.1
India	0.9	8.3	6.9	5.8	6.3	6.0	5.5	6.7	5.2	4.9	4.7
Canada	1.4	5.0	3.4	0.8	1.3	2.2	3.4	6.8	3.6	2.2	2.4
NZ Trading Partners	100.0	6.4	3.1	3.1	3.1	3.3	2.1	4.6	3.6	2.5	2.2
Forecasts for New Zealand											
Consensus		6.1	2.4	0.4	1.2	2.6	3.9	7.2	5.7	2.9	2.0
BNZ Forecasts		6.0	2.4	0.6	0.2	2.3	3.9	7.2	6.4	3.2	2.2
The World		5.9	3.0	2.1	2.3	2.4	3.6	7.3	5.4	3.5	3.1

DOMESTIC ECONOMY

Turning point approaching?

The RBNZ announced a loosening of its LVR restrictions on first home borrowers, signalling a judgement that residential real estate prices have corrected sufficiently to ease financial stability concerns.

In earlier times, such an announcement might have been the signal for a rally in financial markets, but it appears this was interpreted as a prudential policy move rather than a new signal on the already well-flagged path for monetary policy.

OCR cuts are starting to be priced into forward expectations, although cuts in this calendar year appear to be premature.

That said, with the annual pace of inflation easing to 6.7% in the March quarter, versus 7.2% in the Dec quarter, early signs are emerging that inflation has peaked. At this stage, that appears to be reflect easing global inflation.

However, labour market shortages are demonstrably easing, with net migration roaring back to pre-covid levels. New sales growth has replaced labour as firms' greatest source of concern.

While the NZ economy is still destined for recession this year, the harbingers of a shallow trough and the preconditions for recovery appear to be in place.

All the extra people in the country, both migrants and tourists, stand out as leaning against the recessionary tide and should help round off the edges of the slowdown.

Food prices

Food prices were 12.1% higher in March 2023 than they were in March 2022, Stats NZ said. Grocery food prices increased by 14%, fruit and vegetables prices by 22%, restaurant meals and ready-to-eat food prices by 8.7% and meat, poultry and fish prices increased by 7.8%.

Cost increases from groceries suppliers to supermarkets were up 10.3% in March, according to the Infometrics-Foodstuffs NZ Grocery Supplier Cost Index. It was the six month in a row where the cost increase has been above 10%.

Mortgage rates

Bank began changing their mortgage rates after the latest Reserve Bank OCR hike for the first time since Dec. Westpac matched ANZ lifting its floating rate by 40 basis points to 8.39% and cut its three-to-five-year fixed rates. Its "special" three and four-year rates dropped 60bp to 6.59% and its five-year fixed mortgage rate fell 50bp to 6.59%.

Property investors face home loan interest rates up to 0.47% higher than owner-occupiers, according to a Canstar analysis. CoreLogic said it was also possible the market would see more investor-specific interest rates introduced.

Equifax NZ's quarterly Consumer Credit Demand Index for March said overall consumer credit applications reduced by -6.2% (vs March quarter 2022), unsecured credit applications (comprising personal loans and credit cards) were up +0.7% and mortgage applications reduced by -19.6%.

Employment

Seek NZ's March employment report said job ad volumes rose for the third consecutive month, up 1% from Feb. Job ad volumes have risen 4% so far this year. Compared to March 2022, job ad volumes fell 11% nationwide, but were 19% higher than March 2019.

Applications per job ad rose 4% in Feb 2023 (data which has a one-month lag) and have now risen 61% since June last year.

Lightcast, which monitors online job markets, said of Australian companies targeting NZ 27% of the adverts targeted those in the mining industry, 19% healthcare and social assistance, 12% manufacturing, 10% in the professional, scientific and technical services, and 8% in education and training.

The average advertised salary for the roles was $98,000, this compared to the wider advertised mean salary for the roles in NZ in the same timeframe of $65,000.

Tourist arrivals

Auckland International Airport's March passenger volumes climbed to 81% of pre-covid levels with 686,178 international travellers – excluding transits – in the month. Non-NZ passport holders recovered to a post-covid high of 71% during March. Total domestic passengers bounced to 88% of the pre-covid equivalent, with 779,000 domestic passengers travelling.

Services still net positive

Expansion levels for the services sector decreased in March, according to the BNZ – BusinessNZ Performance of Services Index).

The PSI for March was 54.4 (A PSI reading above 50.0 indicates that the service sector is expanding), down 1.4 points from Feb, but still above the long-term average of 53.6 for the survey. Activity/sales (56.7) rose to its highest level since Nov 2022, while new orders/business (53.1) dropped to its lowest level of expansion since July 2022.

Primary Sector

Synlait shares lost more than a fifth of their value after it cut full-year profit guidance heavily, less than a month after giving a more optimistic outlook. The firm now expects an NPAT result ranging between a $5m loss and a $5m profit. That compared with a 15m to $25m NPAT range advised in late March. It also cut its milk payout forecast.

A2 Milk confirmed no material change to its 2023 full-year outlook as confirmed at the time of the announcement of its first-half 2023 results on Feb 20.

Westland Milk plans to triple production of lactoferrin, following a $70m expansion at its Hokitika plant.

The National Party pledged to reinstate the practice of **live animal exports** as part of its agricultural policy, but with a requirement to use ships meeting higher standards for animal welfare than in the past.

Chinese meat consumption is expected to grow 1% a year for the next three years but consumption patterns are changing according to a research report by McKinsey and Co. Pork currently dominates the Chinese meat market but rising income levels and increasingly health conscious consumers may threaten pork's market share.

Energy and resources

Z Energy completed the acquisition of the 25% of electricity retailer Flick it did not own.

Fonterra is receiving up to $2.5m in govt co-funding to convert two coal boilers at its Hautapu site to wood pellets.

Banking, finance and insurance

KPMG's financial institutional performance survey said the nine banks in the series reported net profit of $1.77b in the three months ended Dec 31, up from $1.61b a year earlier.

The **RBNZ** set a 250% risk weight for bank investments in the govt's $100m business growth fund.

Sharesies is expanding its savings offerings with a new no-fees savings account.

KiwiSaver provider **Simplicity** has switched its passive funds management mandate from **Vanguard** to **DWS.**

Telecommunications, media & entertainment

Australian superannuation fund **UniSuper** become the third entity to get govt approval to own more than 10% of **Chorus**. It has approval to lift its stake to up to 20% of the company, from the 8.5% holding it last disclosed in Dec.

NZME is sticking with its guidance for full-year ebitda of between

The investor behind Queenstown news website **Crux**, **Peter Newport**, is seeking regional investors to back creation of a chain of regional 'hyper-local' news sites. The CEO for the operation is **Tim Martin**, who launched the **RugbyPass** product and was briefly CEO at NBR last year.

NZME-owned BusinessDesk became the first NZ news service to use AI to generate news stories, using NZX disclosures as the raw material for fast turnaround coverage.

Wholesale and retail

Restaurant Brands' sales for the first quarter to March 31 2023 increased by 12% to $308.6m, recovering from the impacts covid and supported by additional stores and stronger US and Australian dollars over the prior year.

Kmart's opened its second 24/7 store at Manukau after Kmart's original all-hours venue at Sylvia Park.

Michael Hill International bought Australian jewellery and watch retailer chain **Bevilles** for a net enterprise value of A$45.1m (NZ$49m). It is expected to generate A$60m-$65m in sales, and adjusted ebitda of A$7.5m-$8.5m for the June 2023 financial year.

Transport and tourism

Ongoing strong demand saw Air NZ lift ebitda guidance to between $510m and $560m from the $450m to $530m given in Feb, with weaker jet fuel prices assisting the improved outlook. Offsetting this was a softer outlook for cargo. Jet fuel is assumed to be US$95 a barrel for the revised forecast.

The Air NZ announcement coincided with further evidence of increased competition on the airline's crucial Auckland-Los Angeles route. **Auckland International Airport** said that there were now seven carriers planning to service the route, peaking over the summer months. The airlines are **Air Canada, American Airlines, Air NZ, Delta, Hawaiian Airlines, Qantas** and **United Airlines**. At its peak, this will be 11% above service levels seen before covid-19.

Qatar Airways will resume direct flights Auckland-Doha from Sept.

Air Canada will also boost seat capacity in a seasonal service between Vancouver and Auckland from Oct 31 and the end of March next year, starting with three flights per week in Nov increasing to a five flights per week from Dec.

Auckland Transport is consulting on a proposal to axe about 150 jobs as it seeks to cut costs as part of the annual budget process.

Air NZ was forced to ground two planes amid a global engine shortage.

Manufacturing and construction

Fletcher Building increased its losses provision to A$15m (NZ$16.2m) from $2m for problems relates to leaky Pro-fit hot-and-cold-water polybutylene pipes sold in Australia by its Iplex unit between mid-2017 and mid-2022. So far, out of about 15,000 homes constructed in Western Australia using the Pro-fit product, about 1,200 have experienced leaks.

Courts, legal and regulation

Law firm **Slater and Gordon** is lodging a class action on behalf of more than 100,000 in the Aust federal court over Optus's loss of private information.

Russell McVeagh instigated a disciplinary process over two staff members, following a recent event. One had resigned and the people involved weren't partners.

The Commerce Commission filed civil proceedings against accommodation platform operator **Bachcare**, accusing it of offering unfair terms relating to cancellations and service fees.

Technology and IT

TASK Group Holdings reported total revenue of approximately $65m and adjusted EBITDA of approximately $12m for their full year ended March 31 2023. The previous guidance range was $59m to $62m in revenue and adjusted EBITDA between $8.5m – 9.5m. The Group's cash position at March 31 was $28.4m.

Property

Asset Plus's sale of 22 Stoddard Road, Auckland went unconditional for $36.75m.

Investment management company **Colliers** bought a controlling stake in **Greenstone Group**, a project management and property advisory firm.

Corporate actions

Pushpay shareholders agreed to a private takeover bid after suitors **BGH Capital** and **Sixth Street** upped their offer by 8cps to $1.42.

ASX listed **Avada Group** will pay up to $13.7m in cash for the South Island's biggest traffic management firm, **Wilsons Traffic Management**.

Freightways said it's meeting its continuous disclosure obligations amid reports across the Tasman that it is the likely buyer of Australia's Direct Couriers business.

Capital markets

The Australian Financial Review reports that **Jarden** made a loss of $40m in the year to March 31 and has made capital injections of A$50m into its Australian business in Jan and April this year.

In addition, the departure of one of the founding partners of Jarden's Australian business, **Dane FitzGibbon**, was announced on the same day as senior executive bonuses were paid.

James Lee, who was CEO during Jarden's ambitious push into Australia, left the firm on March 31.

People

Professional director **Margaret Devlin** resigned as chair of the **Port of Lyttelton** (LPC) less than a fortnight after the departure of CEO **Kirstie Gardener**, who had been in the role permanently for less than a year.

LPC director **Don Elder** also resigned. Gardener had cited irreconcilable differences with the board. Shareholder CCHL said it had undertaken a review of board dynamics and concluded that "while individual directors were working in the best interests of LPC, a current lack of alignment within the board was preventing it from operating effectively".

Devlin also chairs **Watercare,** among other CCO board appointments, and chairs **Infrastructure NZ**, where **Nick Leggett** has recently been appointed the fifth CEO in five years.

Rua Bioscience's chief financial officer, **Hamish White**, resigned effective June 30.

Brian Brennan was appointed CEO of **Transdev Australia – NZ**.

NZ King Salmon chair **John Ryder** will step down at the company's annual meeting in June, ending 14 years as a director.