

## Headaches abound for Hipkins

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The detail of the latest ministerial mess for the govt, this time involving Kiri Allan, is of less interest to a swinging voter than the way that it reinforces a sense that the govt is losing its way. Whether or not she keeps her portfolios is unclear. However, the way she has conducted herself in the last week has rebounded on the PM. He may only be forgiving if the politics suggests he has to be.

## Nats still failing to fire

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Notwithstanding the govt's internal turmoil, National has yet to fire and, if the latest Roy Morgan poll is to be believed – many do not trust it – both the traditional parties of govt are slipping back towards 30% support. Unless National does much better, it will lose list MPs by winning too many electorate seats.

## Last week China, next week NATO

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The parlous state of NZ's official VIP air transport and Kiri Allan overshadowed Chris Hipkins's successful execution of a major foreign policy challenge: going to China without into any trouble with either the Chinese govt or Western friends and allies. Next week will be his last trip out of the country, attending a NATO summit in Lithuania.

## Carbon market price collapse deepens

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The price of NZUs is not quite in freefall, but buyers are absent, particularly for any forestry-derived units following the announcement of an ETS review three weeks ago. The carbon price is well below \$40 and may go below \$30. The govt is waking up to the problem it's caused, but a pre-election fix looks difficult to achieve.

## Bio-diversity credits consultation

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The Greens have had a significant policy win with the announcement of a National Policy Statement for Indigenous Bio-Diversity. Accompanying the announcement is a consultation on the potential to create a bio-diversity credits system to monetise bio-diversity investments.

## TOP's big talk may be all puff

One of the most successful campaigns this year, in terms of media air-time versus demonstrable support has come from TOP leader Raf Manji, whose long-standing media contacts have helped give the impression he could have a chance of winning Gerry Brownlee's old seat of Ilam. However, National insiders claim that Curia has polled the electorate and that it shows Manji on just 5% support. We stress we have not seen this poll.

## CEO Retreat

The next Hugo Group CEO Retreat is scheduled to run from **dinner on Thursday Sept 7 to lunch on Saturday Sept 9 at Millbrook Resort. A programme should be with you now.**

## Tide continues to ebb for Labour

Despite pulling off a challenging diplomatic assignment by travelling to China with a big media contingent and not annoying anyone in the Chinese Communist Party, Chris Hipkins has had an otherwise dreadful fortnight politically.

Not only has he run into trouble with another minister, but business confidence remains very weak, the economy looks likely to remain in shallow recession for some time, and it is clear that as households refix their mortgages, much higher interest rates are starting to bite.

The Roy Morgan poll's right/wrong track measure shows 54% NZers saying the country is on the "wrong" track, against 38% on the "right" track.

These ratings move around a little, but appear to be baked in as a strongly net negative trend at present. The right/wrong measure is often a predictor of an election outcome.

The govt continues to make announcements that might shore up support, including a \$128m university emergency funding package and conclusion of the largest ever pay equity deal, for nurses, this week, valued at \$1.5b.

### Kiri Allan

Hipkins's latest big distraction has been the behaviour of minister Kiri Allan, who no longer looks like the possible future leader that some saw when she first emerged in a Cabinet role.

Her political future now hangs in the balance after a series of damaging stories that allege bullying behaviour towards officials. Whether or not the story has appeared now because of pre-election 'dirty tricks', as some of Allan's defenders are asserting, is irrelevant.

It is exactly the kind of news that saps a struggling govt's morale by adding to the sense that Labour is losing its way in the late stage of its second term.

Nor are the facts of the case are not especially important to anyone not forensically observing politics.

The story plays as the negative flipside to Act's gleefully ramping up the fact that it was 100 days to the Oct 14 election on Thursday this week, or as David Seymour put it: "100 days until real change".

For some voters on the left, Labour's problems may be a source of discouragement to vote, or could help to explain the otherwise unlikely catapulting of Te Pāti Māori to 7% support in the latest Roy Morgan.

Hipkins has spent a lot of his dwindling political capital defending Allan and will not have welcomed

the fact that she was tweeting to take issue with questions from the Press Gallery during his post-Cabinet press conference on Monday. That kind of ill-discipline wears thin quickly. Tellingly, he did not express confidence in her, when asked, on Tuesday.

The Allan situation builds on months of ministerial slip-ups, sackings, resignations and defections, creating a terrible look for the govt. If further allegations emerge, particularly if they appear capable of corroboration, he will cut her loose.

If not, he will have to nurse her to the election.

Either way, there is a growing workload pressure on a shrinking group of senior ministers who are picking up the portfolios previously held by Stuart Nash, Michael Wood, and Meka Whaitiri, while the Education Minister, Jan Tinetti, is looking like a lame duck after the privileges committee's finding of a "high degree of negligence" in events that led to her misleading the House in questions from the Opposition.

Tinetti had been long touted as an up and comer. Instead, with rich pickings in education policy only growing for National's aggressive education spokeswoman Erica Stanford, Labour goes into the election with a weak minister, while being already exposed to the fact that Tinetti's predecessor in the portfolio was Hipkins himself.

With Parliament in recess for a fortnight and almost no press pack following him to Lithuania owing to the high cost of commercial airline flights, Hipkins will get some respite from the issue.

## But Nats still in the doldrums too

For National, there have been few slip-ups, but the party is still failing to excite voters. Like Labour, it continues regularly to poll at 35% support or less, rating just 30% to Labour's 30.5% in the latest Roy Morgan poll. While Roy Morgan is widely disbelieved, its results tend to exaggerate trends rather than be wholly wrong.

If the trend is that the traditional parties of government aren't yet attracting swing voters, then the latest Roy Morgan confirms that.

### Is Luxon improving?

Leader Christopher Luxon's performance may be starting to improve, although he has now become hostage to a "tough on crime" narrative that appeared to delight the National Party faithful at its pre-election conference in Wellington a fortnight ago.

The conference was reasonably slick, and showcased the fact that the party has policies and able spokespeople in several areas. There were solid

performances from Nicola Willis, Shane Reti and Matt Doocey as a double act on health policy, Chris Bishop and Simeon Brown on infrastructure, and Erica Stanford on education. It is perhaps notable that while Labour is also highly exposed on tertiary education, National's Penny Simmonds was not pushed forward to delegates.

Labour's tertiary sector problems saw Grant Robertson announce \$128m of emergency bail-out funding for universities.

However, Luxon's announcement this week of a new medical school for Waikato University had more impact. It projected a combination of both optimism and investment for both the health and education sectors.

Waikato's vice-chancellor, Neil Quigley, faced some political heat for hosting an Opposition party policy announcement on the Waikato campus, particularly as he is also chair of the RBNZ board.

## Hipkins in China

Hipkins's trip to China succeeded, at least for now, in positioning NZ as a pragmatic trading partner that is able to disagree with Chinese policies by doing so extremely carefully. Having batted away a question about whether Xi Jinping is a "dictator" just before he left for Beijing – a question asked of premiers everywhere after Joe Biden used the epithet – Hipkins played his part well in using his presence to advance NZ business interests in China.

The fact that he secured meetings with the three top tiers of the Chinese leadership, Xi Jinping, Premier Li Qiang, and Chairman Zhao Leji, was important, as was the fact he was the first leader of Five Eyes to visit Beijing post-covid.

Chinese media praised Hipkins and NZ as a Western "example" that does not engage in what they call anti-China rhetoric, although Hipkins was careful not to copy Xi's description of the relationship as "friend and partner". Hipkins opted for "warm and incredibly constructive" while doing nothing to dispel Australian media reports that Nanaia Mahuta got a dressing down from her counterpart when she paved the way for the Hipkins visit, in March.

Tourism and international education exports were a particular focus, with one of the few "announceables" from the visit being a resumption of direct air services by China Southern between Guangzhou and Christchurch, and new extra flights between the Pearl Delta city and Auckland.

## CPTPP – a live issue

One thing to keep on the radar is China's application

to join the CPTPP trade agreement, which was referenced in the readout of the Xi meeting. No one expects this to happen anytime soon, but the readout said NZ "welcomed" China's application. Difficult decisions on this could come sooner than we think. Shanghai's Chinese Communist Party Secretary Chen Jining told Hipkins Shanghai was already aligned with CPTPP standards (the city has some autonomy under Chinese law).

## Next week, NATO in Lithuania

Hipkins will travel to Brussels to witness NZ signing the NZ-European Union trade agreement before heading to Stockholm and then the NATO Leaders' Summit in Lithuania. It is his last scheduled international visit before the election, with foreign ministry officials surprised and delighted at his willingness to commit time to international relations in an election year.

It remains to be seen whether this was wise. The travel is exhausting and has kept Hipkins out of the domestic eye.

While it appears the NATO trip could yet have a photo opp visit to Kyiv tagged onto it, the instinct in the PM's Office is that the cost of security and the potential for such a side-trip to be seen as "disaster tourism" makes it unlikely.

Among issues Hipkins may need to finesse is the NZ position if the US, as reported, offers cluster munitions to Ukraine. NZ was one of six countries that initiated the 2008 global Convention on Cluster Munitions, seeking to have them banned. Although 111 countries are "states parties" to the convention, the US, Russia and Ukraine are not. Most NATO members are states parties.

## A timely win for James Shaw

The Green Party has its AGM in Auckland this weekend, with a win for James Shaw announced this morning ahead of the event. That is **Cabinet agreement to a National Policy Statement under the RMA to protect bio-diversity**.

Particularly significant is a consultation starting on the **creation of a bio-diversity credits scheme**. This is likely to gain bi-partisan support because of its capacity to offer financial incentives to landowners – for which, read farmers – to preserve and enhance biodiversity.

### Three waters

Three waters entities would benefit from access to Crown-backed debt in their first two to three years of life, Wellington City Councillor and former Infratil exec Tim Brown said in select committee hearings.

The entities' creditworthiness would be "very ambiguous" at first, and access to perhaps \$20b to \$30b of Crown-backed debt would lower interest costs substantially.

## POLITICS AND POLICY

By purchasing credits, people and philanthropic organisations can finance and actively support activity such as reforestation, wetland restoration, and planting native vegetation on public and private land, including Māori land.

**Submissions are due by Nov 3** and seek input on how to establish such a scheme and how the govt could be involved.

The **NPS for Indigenous BioDiversity** follows years of consultation, with opposition from farm owners who object to councils being obliged to identify “Significant Natural Areas”, or SNAs on their properties. The concern is that SNAs will reduce the value of land that cannot be put to productive use.

The Groundswell farming lobby group called it a “land grab”.

Getting the NPS is a big win for Shaw. By twinning the NPS with consideration of biodiversity credits, the package may go some way to de-fanging farmer discontent.

The Greens will release their manifesto on Sunday.

The party is now focusing on disaffected Labour voters, rather than fishing on the far left.

Meanwhile, close Green-watchers suggest that **if the Greens are not in the next govt, it cannot be assumed that Chloe Swarbrick – often touted as a future co-leader – will remain in politics.** Swarbrick has mused aloud recently about national politics not being a lifelong commitment.

### A big week for health

The govt made the health workforce a focus this week, boosting its pay equity offer for Te Whatu Ora – Health NZ nurses by \$1.5b in a bid to end a long-running dispute over pay rates and backpay.

Midwives are in line for a 15% pay increase as part of pay equity negotiations.

Also announced was a NZ Health Workforce Plan in

an effort to address staff shortage and work pressure issues.

Former director-general of health Karen Poutasi was named the new chair of Te Whatu Ora – Health NZ, replacing Rob Campbell who was sacked in Feb.

### Energy policy

Four papers that bear on the development of the govt’s national energy strategy were to have been published this week, but **appear to have been held back because of ministerial reservations.** The main issues are understood to be with the gas transition plan paper. The other three papers, now pending release, cover offshore wind, hydrogen and electricity markets.

The govt used a **new RMA policy statement and environmental standard to effectively ban new coal boilers for low heat energy** use and to phase out existing coal boilers by 2037.

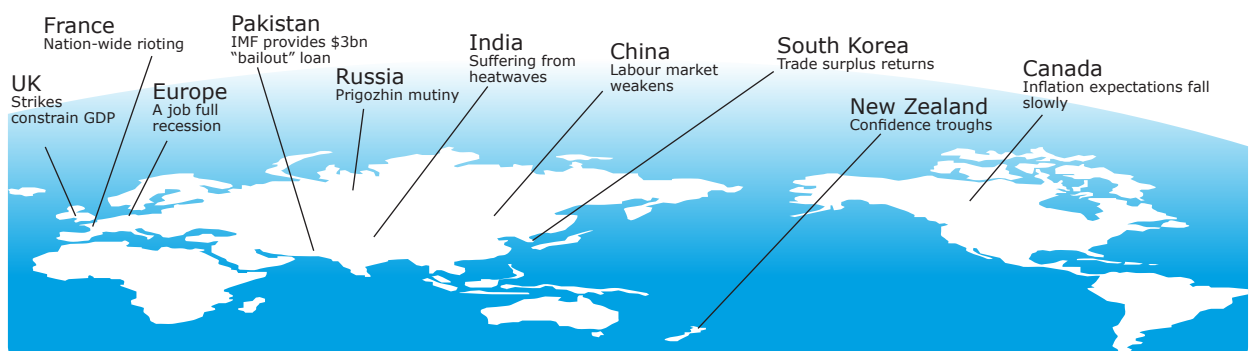
About **110,000 households could not afford to keep their homes adequately warm for the year ending June 2022**, with Māori and Pacific households, renters and low-income households more likely to experience energy hardship, analysis released by MBIE said.

### RMA reforms reported back

A select committee reported back bills replacing the Resource Management Act. There were numerous and lengthy changes to the Natural and Built Environment Bill and Spatial Planning Bill though much of the original framework and intent remained intact. National pledged to repeal the legislation and restart RMA reform if elected. **The govt remains committed to passing the bills before parliament is dissolved.**

The govt pledged \$128m more for tertiary education over two years to avoid threatened layoffs and course closures, and is reviewing how those institutions are funded to see whether it still works.

### The world at a glance



The govt wants feedback on potential changes to regulations for genetically modified organisms in the lab but stresses it won't change rules about the release of GMOs outside those research settings.

July 1 marked the return of full taxation rates of petrol which led to queues as people filled their tanks. The date also marked the end of the \$5 prescription co-payment and public transport changes, free for under 13s, half priced for under 25s and over 1m low-income people.

## Carbon market chaos deepens

The NZ carbon market is starting to look deeply dysfunctional, with the price of NZUs dropping towards \$35 a tonne this week.

Carbon traders say some offshore clients who help make the market are standing out of it for now, fearing that unless market settings are settled soon, the price of an NZU could go to zero. This somewhat apocalyptic view is almost certainly overblown.

However, there is a risk that the combination of inept decision-making to date and the likelihood of a change of government creating further uncertainty will delay a resolution.

A dual market for carbon now appears to be forming, with anything involving plantation forestry being worth less than other sources of NZUs, following the announcement three weeks ago of a review of the ETS.

The review has created fundamental uncertainty

about the value of forestry-derived NZUs. James Shaw is understood to have written to foresters saying retrospective actions to shore the market up are unlikely. However, the option is not ruled out.

There is a hope among carbon market participants that there may at least be some form of "grandparenting" for forestry units already created.

While the issue is too complex to argue in detail as an election issue, the collapsing carbon price may present a target for Opposition parties.

What might stay their hand is the reality that a dysfunctional ETS cannot be relied on to incentivise behaviour change and decarbonisation. National and more particularly Act would prefer to rely on the ETS than to build on the Labour government's use of additional incentives, most notably the GIDI scheme.

Note also that Megan Woods has today announced government assistance for reducing emissions from commercial buildings with a \$40m allocation from the GIDI fund.

## Stop press: Hipkins foreign policy speech

As Hugovision was going to press, Chris Hipkins delivered his most significant foreign policy speech since becoming PM. In it, he described China as "our most complex relationship" and ranked the country last of five priority relationship areas, which ranked Australia, the US, UK/Europe and Pacific ahead of China. A national security strategy is imminent. 

## Trading partner growth

(2021-22 actual; 2023-2025 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	3.0	5.7	4.9	4.9	0.9	2.0	1.3	2.3	2.3
Australia	15.4	5.2	3.7	1.5	1.5	2.3	2.9	6.6	5.7	3.1	2.5
United States	12.6	5.9	2.1	1.3	0.5	1.8	4.7	8.0	4.1	2.6	2.0
Japan	6.4	2.2	1.0	1.1	1.0	0.8	-0.2	2.5	2.8	1.5	0.9
Eurozone	5.4	5.3	3.5	0.6	0.9	1.6	2.6	8.4	5.4	2.4	2.0
South Korea	3.4	4.1	2.6	1.1	2.1	2.4	2.5	5.1	3.2	2.0	2.0
United Kingdom	2.8	7.6	4.1	0.1	0.8	1.6	2.6	9.1	7.3	3.2	2.5
Singapore	2.1	7.6	3.6	1.4	2.5	2.5	2.3	6.1	5.0	3.1	2.0
Hong Kong	2.2	6.3	-3.5	4.7	3.2	3.1	1.9	1.9	2.4	2.3	2.0
Taiwan	2.4	6.5	2.4	1.0	3.1	2.1	2.0	3.0	2.1	1.6	1.6
Malaysia	1.8	3.2	8.7	4.0	4.5	4.3	2.5	3.4	2.9	2.4	2.5
Indonesia	2.3	3.7	5.3	4.8	4.9	5.1	1.6	4.2	3.9	3.0	2.8
Thailand	1.8	1.6	2.6	3.6	3.8	3.4	1.2	6.1	2.2	1.9	1.7
Philippines	1.2	5.5	7.6	5.6	5.6	6.0	3.9	5.9	5.8	3.4	3.1
Vietnam	1.6	2.6	8.0	5.1	6.4	6.0	1.8	3.2	3.6	3.2	3.1
India	0.9	8.3	7.2	5.8	6.3	6.0	5.5	6.7	5.0	4.8	4.7
Canada	1.4	5.0	3.4	1.2	1.0	2.2	3.4	6.8	3.7	2.3	2.4
<b>NZ Trading Partners</b>	<b>100.0</b>	<b>6.4</b>	<b>3.1</b>	<b>3.2</b>	<b>3.0</b>	<b>3.3</b>	<b>2.1</b>	<b>4.6</b>	<b>3.3</b>	<b>2.5</b>	<b>2.2</b>
<b>Forecasts for New Zealand</b>											
Consensus		6.1	2.4	0.6	1.5	2.6	3.9	7.2	5.4	2.8	2.0
BNZ Forecasts		6.0	2.7	0.5	0.5	2.8	3.9	7.2	5.6	2.9	2.4
<b>The World</b>		<b>5.9</b>	<b>3.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.4</b>	<b>3.6</b>	<b>7.3</b>	<b>5.4</b>	<b>3.5</b>	<b>3.1</b>

## DOMESTIC ECONOMY

## QSBO weak as inflation squeeze takes hold

The latest NZIER Quarterly Survey of Business Opinion said a **net 59% of businesses expect deterioration in general economic conditions over the coming months**.

A net 13% reported reduced activity in the June quarter on a seasonally adjusted basis. An increased proportion of businesses also expect activity in their own activity to decline in the next quarter.

**Sentiment in Auckland was particularly weak**, with a net 81% expecting a weaker outlook.

The QSBO results **continue to show elevated inflation pressures**, but pricing power is weakening and labour market shortages are easing, particularly for unskilled workers, NZIER said.

The survey **suggests the RBNZ is unlikely to issue a hawkish monetary policy update next Wednesday (July 12)**, but equally unlikely to signal that it is time to take the brakes off any time soon.

ANZ's monthly survey showed business confidence remained negative, at a net -18%, although that was a 13 point improvement on the previous month. Firms expected own activity was up 8 points to net +3, the first time in 14 months that it's been positive.

Financial services participants in the QSBO were notable for their **confidence that interest rates have peaked**.

Also notable was a **seven point drop in capacity utilisation**. Manufacturing and retail sentiment were especially weak nationally, while construction sentiment remained weak but improved slightly from the first three months of the year.

The monthly **ANZ-Roy Morgan consumer confidence index lifted 6 points in June to 85.5**. A reading above 100 shows optimism, while below that shows pessimism. While consumers are still pessimistic, it's the highest reading since Jan last year.

The **BusinessNZ Economic Conditions Index** was at -1 for the June 2023 quarter, a deterioration of 7 points on the previous quarter but an improvement of 4 on the previous year.

The index tracks 33 economic indicators including GDP, export volumes, commodity prices, inflation, debt, and business and consumer confidence.

## Mortgage rates/banking/debt arrears

ASB lifted its six-month and one-year fixed-term rates for **standard home loans by 20 basis points to 7.25%, and its two-year rate to 6.79%**. Kiwibank increased its six-month rate for people with 20% or

more equity in their homes from 6.99% to 7.15%, and moved its two-year rate up from 6.49% to 6.59%.

**Banks classed \$1.2b of mortgage debt as "non-performing" in May**. This was 12% more than in April and 51% more than in May last year, according to Reserve Bank data. While \$1.2b was the highest value of non-performing housing loans since at least 2018 it is 0.4% of banks' mortgage books. This ratio got as high as 1.2% during the GFC and was low as 0.2% from mid-2016 until the onset of covid.

**Mortgage arrears rose to 1.32% last month**, their highest level since March 2020, credit bureau Centrix said. There were 19,500 mortgage accounts in the 'late payment' bracket, up more than a third on last June on the back of higher interest rates. Late payments across all consumer loans were at 11.7%, ahead of pre-covid levels for the first time.

Valocity research said there has been an **increase in the proportion of newly purchased investment properties that are loss-making**. Negatively geared investors' top-ups had jumped from \$5,000 on average a year in 2021 to \$30,000, as a result of higher interest rates.

The **RBA** kept the cash rate at 4.1%, at least until next month's meeting but **US Federal Reserve** board minutes suggest that US interest rates will rise again this month as inflationary pressures persist.

## Crown accounts

Tax receipts in the 11 months to May 31 were \$2.2b below Treasury forecasts, although that was roughly matched by lower than forecast expenditure, according to the latest Crown accounts.

## Employment

The number of **filled jobs rose 3.7% in May on a year ago**. Stat sNZ employment indicators said the number of jobs rose 0.2% in May, driven by increases in the accommodation and food services and healthcare and social assistance.

The **Westpac McDermott Miller employment confidence survey** headline index fell 3.9 points to 105.6, its lowest level in two years. The current conditions index fell 7.9 points to 112.2, while the employment expectations index declined 1.1 points to 101.3.

## S&P's view

S&P Global Ratings **expects NZ's economic activity to pick up over the next two years but said the short-term environment will be tough as the global economy slows**. It forecast growth of 0.2% for 2023, a previous forecast of 0.8%. It expects 1.7% and 2.5% growth in 2024 and 2025, respectively. 📊

## Primary Sector

**Zespri** signed an agreement with Joy Wing Mau and Goodfarmer, Zespri's two largest distributors in China to increase fruit sales by 50% over the next three years. Zespri chair Bruce Cameron accompanied PM Hipkins on his week-long visit to China, and was joined by representatives from nine other primary industries companies.

**Comvita** announced a deal with Olé, one of China's retail chains, then was put into a trading halt by NZ RegCo. It returned to trading with a new release issued removing the description of a multimillion-dollar arrangement. Comvita said it had acquired specialist honey retailer HoneyWorld Singapore and its consumer brands.

**Spring Sheep Milk Co**, a NZ sheep milk firm, signed a deal with Shenzhen Neptunus Food, a subsidiary of the Chinese pharmaceutical company, Shenzhen Neptunus Group.

The **Bank of China** appointed receivers to Hong Kong-owned, NZ-based **Dairy Nutraceuticals**.

The Court of Appeal unanimously dismissed an appeal by a farmer over **Fonterra** declining to take milk due to breaches of environment regulations.

ASX-listed Waikato-based milk processor **Happy Valley Nutrition** was placed into administration after failing to attract a new investor.

## Energy and resources

**Orion** reported net profit fell to \$21.6m in the 12 months ended March 31 from \$35.5m a year earlier, with operating revenue rising 3.9% to \$322.6m.

**Ara Ake** and **solarZero** agreed to collaborate on a virtual power plant pilot using about 30MW of capacity drawn from batteries attached to rooftop solar installations. If successful, the scheme will seek an expansion to 60-70MW and may provide an instantaneous source of energy during peak demand spikes.

The **Electricity Authority** approved rules exemptions to allow an energy sharing trial led by **Kāinga Ora** and Ara Ake to go ahead. The Ara Ake CEO, **Cristiano Marantes**, was appointed to the EA board.

## Banking, finance and insurance

The quarterly **KPMG Financial Institutions Performance Survey** for the first three months of this year, found that the nine banks surveyed collectively reported a 13% fall in net profit of \$1.54b, compared with the \$1.77b reported in the last three months of 2022. Their margins remained strong.

Global digital account and payment disruptor **Revolut** launched in NZ.

**Tower** signed a conditional deal to sell its Solomon Islands business to Trans Pacific Assurance for around SBD\$17m (NZ\$3.3m).

The **Reserve Bank** is increasing its monitoring of stablecoins and crypto assets.

**TSB Bank** started a restructuring consultation process with staff as chief executive Donna Cooper prepares to leave.

## Telecommunications, media & entertainment

**Forsyth Barr** downgraded **Spark** from outperform to neutral and reduced its target price from \$5.50 to \$5.45. Its shares were trading at t \$5.12 at the time. The analysts expected lower cloud revenues and margins, with dividends expected to fall by 3% by the 2025 financial year.

**2degrees** will buy the broadband customer base of MyRepublic.

The **Commerce Commission** issued a "stop now" order to **One NZ** over advertising claiming 100% coverage of NZ in 2024 because it was false or misleading. One NZ disagrees.

News publisher **Stuff** continued to restructure, leading to the resignation of the editor of the newly rebadged Wellington daily, The Post, after just five months in the role. **Tracy Watkins**, editor of the weekly **Sunday Star-Times**, will now also edit The Post.

**Murray Kirkness** was named chief content officer for the **NZ Herald**, replacing **Shayne Currie** whom Kirkness had stepped in for on an interim basis, after an international search.

**Silver Lake** injected the second of two \$100m tranches of investment into **NZ Rugby** in late June.

## Wholesale and retail

The **Warehouse** is expanding its fresh fruit and vegetable trial to a further five stores and three new regions.

## Transport

**Marsden Maritime Holdings** downgraded its profit forecast by \$1m to be in the range of \$8m to \$8.3m. The owner of Northport had underlying earnings of \$9.1m in the previous financial year.

## Manufacturing and construction

**Downer EDI** secured a road maintenance contract with Hamilton city council, valued at up to \$540m, for a maximum term of 10 years.

## CORPORATE ROUND-UP

### Courts, legal and regulation

The **Commerce Commission** appealed an \$87,750 fine handed down by the Auckland district court last month to media group **NZME**, saying it is “manifestly inadequate” for the breach of product safety laws.

The chair of **PGG Wrightson Lee Joo Hai** has been charged in Singapore under Singaporean securities regulations for “potential lapses in relevant disclosures” concerning listed Singaporean called **Hyflux Limited**, of which he is a director. Fellow **Agria** appointee **U Kean Seng** will chair the board as it considered the issue, with independent director **Sarah Brown** his deputy. **Lee** will stay on the board.

The Auckland High Court ordered **Tiger Brokers** to pay \$900,000 for multiple breaches of the Anti-Money Laundering and Countering Financing of Terrorism Act. It had admitted the breaches and agreed with the penalty.

New mandatory climate-reporting standards for large financial organisations are expected to be ready by the end of the year, with the rules coming into force from next Jan.

Arts patron **James Wallace** was named as the man convicted of indecently assaulting three men and attempting to pervert the course of justice after the end of suppression orders.

The Commerce Commission approved **TAB's** request to amend an existing authorisation on shared betting pools with Australia's **Tabcorp**, clearing a potential hurdle to **Entain's** management of betting.

### Technology and IT

**Pacific Edge** shares staged a dramatic recovery on Thursday after a reprieve from withdrawal of its **CxBladder** test from US Medicare coverage from July 17. The process that saw the test rejected is to be repeated. No timeframe for the process was announced.

**Datacom** reported a \$32m drop in profits, or 81%, from \$42m in 2022 to \$8m for the March 31 2023 financial year, as it looked increasingly to artificial intelligence. Revenue was \$1.49b, up from \$1.45b in the March 2022 year.

**Vital** extended their communications contract with **St John Ambulance** for an additional two years through

to March 2027.

**Serko** reported a solid start to the financial year and said if this continued income could exceed the previous guidance of between \$63m and \$70m.

### Corporate actions

TSX-listed **Constellation Software**, a serial investor in tech companies, launched a takeover bid for Auckland-based trucking logistics software firm **EROAD**, pitched at \$1.30 a share. **EROAD** directors have yet to express a view. The offer is either by scheme of arrangement or via the Takeovers Code and **Constellation**, through a subsidiary, has built an 18% blocking stake already.

**Infratil's** \$100m retail share offering was oversubscribed by \$220m. The retail offer was part of **Infratil's** equity raising announced on June 7, which included an underwritten \$750m placement of shares. The debt raise followed **Infratil's** acquisition of **Brookfields' 49.95%** stake in **One NZ** (formerly **Vodafone NZ**).

### People

**Rod Drury** is stepping down from the **Xero** board after the company's next annual general meeting on Aug 17.

**Alastair Carruthers**, chair of the NZ Film Commission, was appointed **TVNZ chair**. **Dentons Kensington Swan** partner and former **TVNZ** political editor **Linda Clark** also joins the board.

**Whaimutu Dewes** and **Owen Coppage** were appointed to the **Transpower** board to fill vacancies after **Dean Carroll** and **Roger Blakeley** finished their terms earlier this year.

**Paul Jamieson** was appointed to the **Financial Services Complaints Board**.

**Marsden Maritime Holdings** appointed **Vidura Galpoththage** as head of finance.

**Simpson Grierson** chair **Anne Callinan** is being replaced by **Phillipa (Pip) Muir**. **Callinan** is the new deputy chair of the **Commerce Commission**.

**Genesis Energy** hired former tourism executive **Stephen England-Hall** to be chief customer officer.

**Wayne Langford**, a 40-year-old dairy farmer from Golden Bay, is **Federated Farmers' new national president**. 🇳🇿

