

Labour's hill just gets higher

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The govt has had a terrible month, with polls now showing the kind of divergence between Labour and National that has failed to appear before now. Coming 10 weeks out from the election, turning around this nascent momentum is going to be very difficult.

Historically high "wrong track" reading

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While Roy Morgan's political poll is regarded as less reliable than others, and therefore its 26% reading for Labour largely discounted as unduly pessimistic, its long-running right track vs wrong track measure shows historically high net negativity. Wrong/right track polling has long been treated as a harbinger for election outcomes.

Another transport rejig coming from Labour?

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In the circumstances, changes to major infrastructure funding and strategy by the govt may ultimately be unwound by a change of govt anyway. However, it does appear that the govt is rethinking the partially tunneled option for Auckland light rail and to split the stalled Let's Get Wellington Moving plan into more easily achievable component elements.

National's bet on roads

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Both National and Labour know that new roads are popular, but only National can pursue them unashamedly. There are questionmarks about whether the party's funding calculations for 13 new Roads of National Significance are far too light, but Labour is only arguing the numbers, not the routes themselves.

Desperate tax policy

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Having abandoned a wealth tax package, Labour apparently turned back to the policy it abandoned after 2011 to drop GST on fresh produce. Any element of political surprise or impact has been largely undermined by the fact that the policy has been leaked early and all but confirmed by Ministers.

No case for OCR increase

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This week's weaker than anticipated private sector wage data and higher than forecast unemployment would tend to suggest the RBNZ will stand pat at its next formal review of monetary policy, Aug 16. However, very substantial public sector wage settlements – for teachers and nurses – and an ongoing surge in net inward migration, remain threats in an environment where inflation remains sticky.

Weak Chinese demand, weak milk prices

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Fonterra has made a substantial cut to its forecast farmgate milk price because an anticipated rebound in Chinese demand for milk powder hasn't occurred. That's in part because Chinese raw milk production has been higher than forecast.

Shape, once lost, can be hard for any govt to regain

The govt has had a disastrous month in which it has lost enough ministers in various circumstances – ranging from resisting arrest to declining to go in their portfolio.

It continues to announce policy and pass legislation, but its political messaging has become incoherent and the leak of its plan to cut GST on fresh produce has removed any element of surprise. While **Opposition claims of a looming fiscal crisis appear overblown**, it is correct that Grant Robertson has ordered public sector agencies to seek savings and that a lower expenditure track is crucial to the deficit projections in the Sept 12 pre-election economic and fiscal update.

Two polls in the last week are beginning to reflect this, with two now showing a clear divergence in the fortunes of the two main parties of govt is occurring. Labour’s support is ebbing while National is rising, albeit somewhat weakly given what should be a favourable political environment. **Voters are not warming to Christopher Luxon, but are also losing interest in Hipkins**, suggesting policy rather than personality may be the more decisive factor in this election. The support for minor parties shows many voters seeking alternatives beyond the traditional.

Predictions are dangerous 10 weeks out from polling day, but on current trends, **it is not unreasonable to imagine Labour’s final vote being under 30% and National’s not being above 40%**.

Assuming these trends hold, a National/ACT govt is starting to look baked in, with the only interesting questions being how many ACT MPs are in the next Parliament and whether NZ First returns. Even if NZ First does come back, if it is not required for a majority, it risks three years of minor party irrelevance, by which time Winston Peters will be 81 years of age.

Polls

The latest **Newshub-Reid Research** poll put Labour support at 32.3% down from 3.6 points in the last poll in the series and its lowest point since Dec. National was at 36.6%, Act at 12.1%, both up 1.3 points, Green party 9.6%, up 1.5 points and Te Pāti Māori down 0.8 to 2.7%. NZ First was on 4.1%, up 1.1 points. The poll was held between July 26 and 31.

Roy Morgan’s July pull had National up 3.5 points to 33.5%, Act down 1 point to 14%, Labour down 4.5 points to 26% – the lowest level of support for so far this year in this series, and the Greens down 0.5 points to 9% – the lowest support for the party since Aug 2022. The Māori Party was down 1 point to 6% and NZ rose two points to 5%.

The Roy Morgan **right/wrong track poll showed a record high majority of 60.5% (up 6.5 points) of electors saying NZ was ‘heading in the wrong direction’** compared to 29% (down 9 points), who said it was ‘heading in the right direction’.

A MYOB poll of 550 SME business owners showed majority support for a National/Act govt.

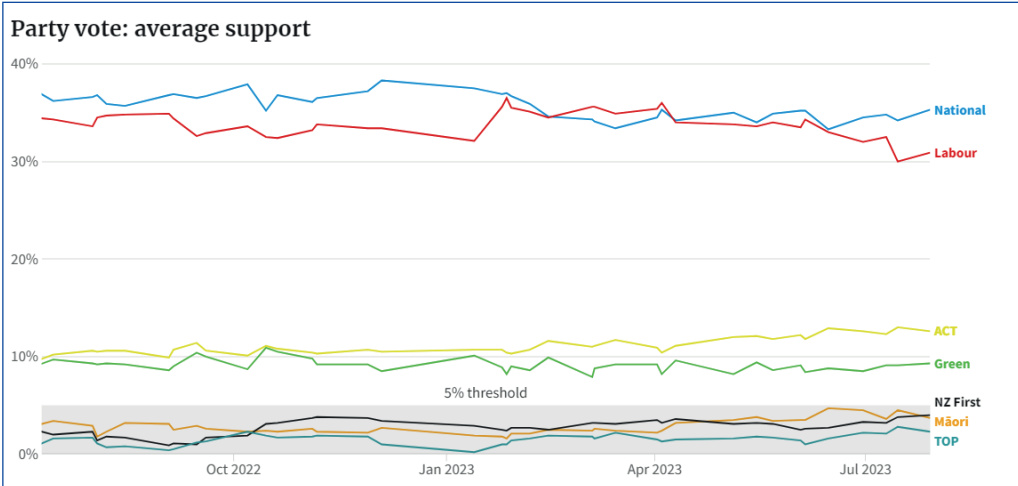
Transport policy battles

The **departure of Michael Wood from the transport portfolio appears to have eased the govt’s path to put the Auckland Light Rail project back into limbo**. ARL was a defining commitment because of its impact for his Mt Roskill electorate.

His replacement, **David Parker, is notoriously activist**, has less on his plate now that he’s shed the revenue portfolio and **his mammoth RMA reforms are now on a glidepath to passage before Parliament rises** at the end of the month for the election.

Just what Parker has in mind for Auckland transport investments and for the endlessly stalled Let’s Get

Wellington Moving policy remains to be seen. **Hipkins and Parker, whose relationship is strained by the rejection of the wealth tax and adoption of a politically pragmatic but practically unappealing GST policy, are**



looking at walking away from the expensive, partly tunneled option favoured by their predecessors Jacinda Ardern and Wood.

An intended pre-election **confirmation of the route and stations will now not occur until after the election** and will therefore fall to the next govt.

Given Labour's urgent need for political circuit-breakers, Parker and Hipkins may also be assessing how to retool Labour's transport policy to contrast as starkly as possible with National's freshly announced commitment to major new roading projects.

Meanwhile, Labour has already made clear its **intention to publish the much-delayed draft Government Policy Statement on Land Transport this month.**

This will indicate whether petrol tax hikes are on the cards next term (Labour has indicated they are) and what transport priorities it would like to see. It is unlikely to include a laundry list of roads.

Labour also says that it **will publish a party policy around the same time**, adding promises on top of those in the GPS, and which will include more detailed project-by-project commitments.

This weekend, Hipkins will announce the next step in building a second Waitemata crossing.

However, the fresh questions about both cities' plans have raised afresh uncertainty about Labour's governing ability. This plays to one of National's primary political messages: that it will get things done where Labour doesn't.

Therefore, ending this uncertainty in the near future becomes important for Labour.

LGWM – how?

The \$7.4b LGWM may be split into bite-sized chunks that would allow a more credible approach to execution.

The govt is **keen to split out the big projects that involve state highways**, such as the second Mt Victoria tunnel and the Ngauranga gorge to airport bottleneck.

It may also find its task less complex if it can **separate specific projects from LGWM's complicated governance structure**, which is designed to get the Wellington City and Regional Councils around the table with central govt to avoid a repeat of the Basin Reserve flyover debacle, which led to LGWM being created in the first place.

What this means for the 60:40 funding split between central govt and councils is unclear.

One area of obvious compromise with councils is

allowing all three parties to walk back the expensive light rail mass rapid transit option in favour of much cheaper bus rapid transit. **Neither Mayor Tory Whanau, nor Regional Council chair Darran Ponter are willing to die in a ditch over the gold-plated light rail option**, and would be quite happy to have central govt make the decision for them.

The loudest champion for light rail over bus rapid transit is **Green MP Julie Anne Genter**, currently vying to win the seat light rail would run through from Labour. She's likely to lose to Fleur Fitzsimons.

ARL – to tunnel or not to tunnel

The political impact of the City Rail Link's multi-year disruption of the Auckland CBD was one of the reasons for favouring a partially tunneled option for ARL, along with an outcome that would mean trams and cars would not be sharing the roads.

Surface level light rail would disrupt all of Dominion Rd, making it potentially more disruptive than the tunneled CRL has been.

However, the **surface level option is currently costed at \$9b vs \$14.6b** for a tunneled solution.

It's preferred by the likes of Auckland Mayor Wayne Brown (who does not so much support it as wants it investigated) and the Greens. It's also **preferred by a host of climate and transport activists who have been abandoning Labour for the Greens.**

Parker and Hipkins apparently agree.

National's "road" to power

National announced a **\$24.8b package of transport initiatives, comprising 13 new Roads of National Significance** (a Steven Joyce term) and four public transport projects.

It also promised to kill LGWM but keep projects like the Mt Victoria Tunnel. The party said it would scrap light rail from LGWM, a long-held position.

All National's proposed roads have long been on the books. Whangarei to Port Marsden, Warkworth to Wellsford, Mill Rd, the East-West Link, and Tauranga's Takamatu North Link were on the agenda when Labour took office in 2017.

They were effectively cancelled after a change of land transport priorities in 2018. Some were then re-funded in 2020 before being axed again in 2021.

CEO Retreat 7-9 Sept 2023

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.**

See the pdf of the programme at:

<https://www.thehugogroup.com/how-we-work/>

There are still a few places available. If you are interested in coming, please contact tracey.gabbittas@thehugogroup.com

Many of the roads are in marginal electorates like Northland and Whangarei, and most of the package is directed at the North Island. **The South Island got just \$833m.**

Labour knows the roads are popular. That is why, despite arguing National's costings are out of date and far too low, Hipkins was actually supportive of the roads themselves.

Parker published revised costings of three of the roads revealing that Nationals costings were indeed out by billions, but also that Labour itself had asked the public service to cost the Warkworth to Wellsford Expressway, Cambridge to Piarere, and Whangarei to Port Marsden roads. He may have breached public service rules by getting officials to do the costings.

National also promised to introduce congestion charging (something Labour also backs), and to end the exemption EVs currently enjoy from Road User Charges. The party also said it would not increase fuel taxes in the next term of govt.

Labour's list

Labour's list, published on Monday, reserved the top 23 spots for members of the current executive in order of current seniority, with the rest of the caucus getting a minor reshuffle. The big news was **former transport minister Michael Wood being dumped to 45th on the list, his lowest ranking since 2008,** eight years before he became an MP.

He will not return to the next Parliament on current polling, which **suggests Labour will have between 33 and 43 MPs in the next Parliament. It has 64 at present.**

If Labour polls in the early 30s, list MPs Grant Robertson, Jan Tinetti, Ayesha Verrall, Willie Jackson, Adrian Rurawhe, Andrew Little, David Parker, Priyanca Radhakrishnan, Ginny Andersen, and Jo Luxton can expect to return.

Up and comers from the "class of 2020" Camilla

Belich, Shannan Halbert, Glen Bennett, Vanushi Walters, Dan Rosewarne, and Naisi Chen would also expect to return, whether or not they win or hold electorates.

Everyone south of Tamati Coffey (ranked 36th) would not survive, unless they won their electorates.

If Labour polled as low as 25% but held most of its existing electorates, Labour might not have any list MPs. **On a very bad night, Cabinet ministers right up to Grant Robertson could conceivably be in trouble.**

Labour gets grumpy

Thursday marked the end of the penultimate sitting block of the term, with **Labour backbenchers frustrated at the lack of discipline from Cabinet, with four MPs having been sacked, resigned or defected.**

A leak from the party's caucus meeting to the media, **the most severe leak Labour has had this term.** The fact the leak was against Kiri Allan, just days after her car crash, is evidence of how the caucus is feeling.

The leaked tax policy to remove GST on fresh produce added to this sense of frustration.

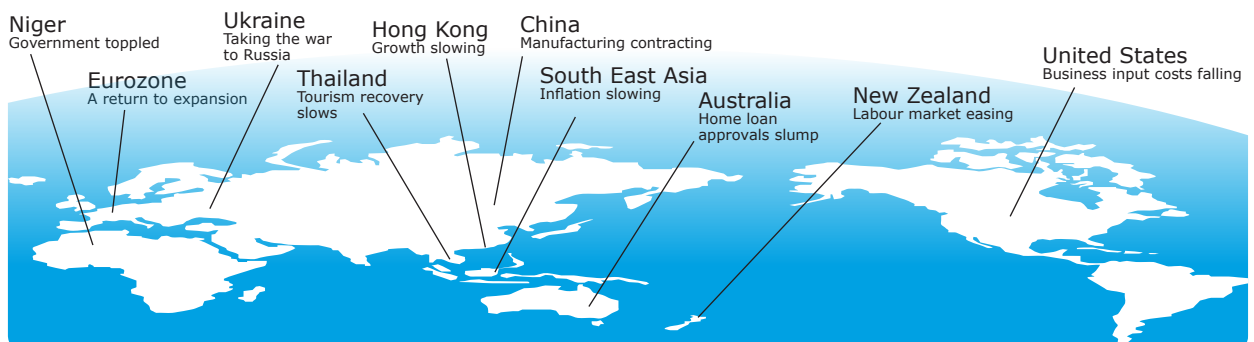
The civil war continued when Labour MPs on the foreign affairs committee decided to side with the Opposition to reject a govt bill that would allow detention of mass arrivals of asylum seekers.

Andrew Little intends to proceed with the bill anyway and vented that the committee had something "seriously wrong with it".

The GST "boondoggle"

Labour's intention to revive its 2011 policy to take GST off fresh fruit and vegetables is the result of Labour having no fiscal room to deliver income tax cuts and a GST move, despite being loathed by a sizable chunk of the caucus, is the only thing the party can afford.

The world at a glance



It may be intended, but is unlikely, to assuage party anger at the revelation that Hipkins rejected a wealth tax and universal tax cut in this year's Budget.

While Parker asked to be reshuffled out of the revenue portfolio because of the wealth tax decision, it seems clear he found his position "untenable" also because of the GST policy.

His replacement, Barbara Edmonds said she was a "team player" would implement party policy, but as a former tax official, she understands the complexity and limitations of such a policy in practice.

While **the policy has not been confirmed**, Grant Robertson has not denied it either, attempting to laugh off his previous description of such a policy as a "boondoggle" by claiming that other claimed boondoggles, including the Sydney Opera House and the moon landing, had "worked out OK".

It would introduce compliance costs at the same time as having uncertain price impacts, since fresh produce prices move constantly, making **margin creep and lack of tax cut pass-through relatively easy to hide**.

Also unclear is how the GST could be funded: a change to the PIE rate? A lower income threshold for the top income tax rate? A new tax rate at a much higher income threshold? Answers are expected before campaigning starts in the next two to four weeks.

Maori roll

Nearly 40,000 voters of Māori descent changed rolls,

enrolled for the first time, or updated their details. Of the total 14,587 who changed rolls, there was a net gain of 1,631 for the roll to the general roll. There were 2,133 new enrolments on the Māori roll and 1,108 new enrolments on the general roll.

Carbon market U-turn

Carbon prices bounced up to about \$60 a tonne after the govt abruptly changed direction to fully implement the Climate Change Commission's advice to tighten emissions trading scheme settings. It followed a judicial review ordering reconsideration of last year's decisions which helped drive prices down from a peak of \$88.50 to near \$30. The changes will take effect from the last NZU auction in Dec, but will not apply for the Sept auction.

Defence and security

The govt released the first round of papers from its defence review this afternoon. We had not had an opportunity to review them by publication time.

The Computer Emergency Response Team is being brought under the National Cyber Security Centre after a recommendation from the Cyber Security Advisory Committee.

Retirement sector

The govt released a discussion paper on changes to retirement sector regulations after complaints about how some aspects operate. The sector responded with cautious optimism. 🇳🇿

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	5.5	4.8	4.9	0.9	2.0	1.0	2.1	2.3
Australia	15.4	5.2	3.7	1.4	1.3	2.3	2.9	6.6	5.7	3.2	2.5
United States	12.6	5.9	2.1	1.6	0.5	1.8	4.7	8.0	4.1	2.6	2.0
Japan	6.4	2.2	1.0	1.2	1.0	0.8	-0.2	2.5	2.9	1.7	0.9
Eurozone	5.4	5.3	3.5	0.5	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	3.3	2.1	2.0
United Kingdom	2.8	7.6	4.1	0.1	0.4	1.6	2.6	9.1	7.4	3.2	2.5
Singapore	2.1	7.6	3.6	1.3	2.4	2.5	2.3	6.1	4.9	3.1	2.0
Hong Kong	2.2	6.3	-3.5	4.9	3.2	3.1	1.9	1.9	2.3	2.3	2.0
Taiwan	2.4	6.5	2.4	0.7	3.0	2.1	2.0	3.0	2.1	1.5	1.6
Malaysia	1.8	3.2	8.7	4.0	4.5	4.3	2.5	3.4	2.8	2.5	2.5
Indonesia	2.3	3.7	5.3	4.8	4.9	5.1	1.6	4.2	3.8	2.9	2.8
Thailand	1.8	1.6	2.6	3.5	3.7	3.4	1.2	6.1	1.9	1.9	1.7
Philippines	1.2	5.5	7.6	5.7	5.7	6.0	3.9	5.9	5.7	3.3	3.1
Vietnam	1.6	2.6	8.0	4.7	6.2	6.0	1.8	3.2	2.9	3.1	3.1
India	0.9	8.3	7.2	5.9	6.3	6.0	5.5	6.7	4.9	4.8	4.7
Canada	1.4	5.0	3.4	1.4	0.9	2.2	3.4	6.8	3.7	2.3	2.4
NZ Trading Partners	100.0	6.4	3.1	3.2	2.9	3.3	2.1	4.6	3.1	2.4	2.2
Forecasts for New Zealand											
Consensus		6.0	2.7	0.5	1.4	2.6	3.9	7.2	5.3	2.7	2.0
BNZ Forecasts		6.0	2.7	0.6	0.2	3.0	3.9	7.2	5.6	2.9	2.4
The World		5.9	2.9	2.3	2.1	2.4	3.6	7.4	5.3	3.6	3.2

DOMESTIC ECONOMY

Monetary policy

The RBNZ will release its next full monetary policy statement on Aug 16 amid some signs that the pressure for any further OCR increase is easing for now.

The most recent evidence that the central bank has no need to move right now was last Wednesday's labour market data, which showed slightly weaker wage growth and slightly higher unemployment than had been forecast.

Of particular note was a 1.1% increase in private sector wage index in the June quarter, while unemployment now sits at 3.6%. These outcomes are consistent with trends in softer indicators, including difficulty in finding labour measures and labour as the major factor constraint to output. Both have eased substantially.

However, risks remain. The announcement of a 14.5% pay deal for public sector teachers and resolution of nurses' pay claims also at levels well above private sector increases may yet prove inflationary. So, too, would a continuation of the recent surge in net migration. Forecasts say it should peter out soon. Will it?

For the first time in 10 years, NZ's unemployment is higher than Australia's, consistent with the resumption of the "Aussie brain drain" narrative that went quiet in recent times but is back with a vengeance in the mainstream media.

Confidence

An **investor confidence survey by Chartered Accountants Australia and NZ** of more than 500 retail investors, most of them holding an equity portfolio of more than \$10,000, said 56% want to increase their portfolio. Rising interest rates were cited a primary threat to the economy by 17% of respondents, up from 10% last year, while concern about global political unrest and ongoing pandemics fell to 16% and 11% respectively.

The **latest ANZ survey showed business confidence lifted another 5 points** in July to minus 13, the highest since Sept 2021. Expected own activity eased 2 points to plus 1. A net 62% of retail respondents expect to increase their prices in the next three months, still high, but the lowest result since March 2021.

The **July ANZ-Roy Morgan Consumer Confidence Index fell 2 points to 83.7 from June**. A net 39% said it was a bad time to buy a major household item, a sharp 12-point fall to back around its lows (excluding lockdowns).

Housing

QV CostBuilder said the **average cost of building a home in main centres is up 9.5% in the 12 months to June 30, but price rises have slowed in 2023 compared to a 20.9% annual increase a year earlier**.

A survey of 13 of the biggest builders by Forsyth Barr highlighted a **lack of pre-sales on the back of declining house prices** last year with two-thirds of builders saying the availability and costs of mortgages was the key barrier to starting new building projects.

The number of **new homes consented in the June 2023 quarter was 9,888, down 20% compared with the June 2022 quarter**, the second quarter in a row where there was a decrease in the number of stand-alone houses and the number of multi-unit homes consented. In the June 2023 quarter, there were 4,281 stand-alone houses consented, down 21% compared with the June 2022 quarter, and 5,607 multi-unit homes, down 18%.

Trade Me said the **national median rent in June 2023 rose by \$50 to \$620, or 8.8%**, compared to June 2022, according to the company's rental price index. Demand for rentals rose by 35% while the number of properties available for rent dropped by 19%.

General data

Core retail merchant spending, excluding hospitality, through Worldline for July 2023 was up by 4.3% over the same month last year, reaching almost \$2.92b, the fourth month of spending growth.

The cost of living for the average household increasing faster than the CPI – up 7.2% in the June year compared to 6% for the CPI mainly driven by increased mortgage costs which are not included in CPI calculations.

A \$1.1b drop in imported goods and 1.3% improvement in exports by value of \$1.6b drove the **monthly trade balance into a surplus of \$8.8m for June**. Exports of \$6.3b were led by a \$170m increase in the value of milk powder, butter and cheese to \$1.8b while petroleum product imports were down \$374m, or almost a third, with iron and machinery imports down \$94m or 9.5% compared to the prior June.

Changes in the **seasonally adjusted filled jobs** for the June 2023 month (compared with the May 2023 month) were up 0.4% (9,537 jobs) to 2.38m filled jobs for all industries. Primary industries were down 0.2% (194 jobs), goods-producing industries up 0.6% (2,791 jobs) and service industries – up 0.4% (6,662 jobs). ■

Primary Sector

Fonterra cut its forecast farmgate milk price for the 2023/24 season to a range of \$7.25 to \$8.75 per kg/MS, reflecting a 12% fall in the GlobalDairyTrade whole milk powder prices since May, when the FMP was last revised down. Chinese demand has not picked up for infant formula, against previous expectations. Chinese fresh milk production is part of the explanation. Fonterra said exports from competitor producers were flat and this was sustaining a positive “medium to long term outlook” for milk prices.

The **co-operative** is also engaging with Brazil’s competition authority after concerns were raised about the sale of **Dairy Partners Americas Brasil** to French dairy company **Lactalis**. Joint owners Fonterra and **Nestlé** agreed to sell DPA Brasil for approximately \$210m last Dec.

Fonterra’s shareholders overwhelmingly approved the scheme of arrangement for the return of approximately \$800m of capital to shareholders.

An **arable industry report** estimated a 2023 maize grain harvest of 164,400 tonnes, 13% down on 2022 despite a 4% increase in harvest hectares. Yield was down 16%. The survey date of June 1 said at that point 37% of the crop was still unharvested mainly due to wet weather. The 10-year average for completed crop harvest by the start of June is 79%. This means the final estimate could be lower.

Sanford’s CEO Peter Reidie resigned with immediate effect. **Craig Ellison**, a current board member, has been appointed as the company’s interim CEO and will remain on the board until Reidie’s permanent successor is found.

The rollout of **on-board cameras** across the inshore commercial fishing fleet began with cameras going live on the 23 boats.

Energy and resources

Ampol modelling suggested that under climate change scenarios demand for **traditional transport fuels will remain robust well into the 2030s** due to average vehicle ownership periods of 10 years in Australia and 14 years in NZ.

NZ Green Investment Finance provided **Lodestone Energy** with a letter of credit which Transpower required to connect the company’s third solar farm to the grid. The letter is part of an up to \$15m package in working capital the fund is lending to Lodestone.

Pilot testing of the **SolarZero/Ara Ake** trial to offer grid-scale load into the grid using distributed solar batteries delivered 20MW of energy over a one hour test period for the so-called “Virtual Power Station” concept.

Banking, finance and insurance

Treasury and the Reserve Bank opened consultation on how the new bank deposit guarantee scheme will be funded.

Kiwi Group Capital invested \$225m into Kiwibank to bolster growth plans. The equity injection follows the \$310m it gained from the sale of fund manager Kiwi Wealth to Fisher Funds and adds to Kiwibank’s \$737m of fully-paid share capital.

Pacific International Insurance said it had no further intent to increase its stake in Tower after buying almost 22.1m shares for A\$12.9m (NZ\$14m), or about 58.4 Australian cents each.

Telecommunications, media & entertainment

The govt finalised changes to the **NZ Screen Production Grant**, widening access to local and international film and television shoots.

RNZ is to overhaul its editorial processes, restructuring separate news teams into one and updating editorial policies following an independent inquiry into sub-editing failures.

Stuff is reported to be making further cuts to its editorial teams, disbanding a national investigations unit, and downsizing data and video teams.

Transport

Mainfreight reported pre-tax earnings down 43.3% to \$83.1m in the June quarter versus the same period a year earlier. The US operations recorded an 80.6% drop in profit before tax to US\$6.1m (NZ\$9.8m) from US\$164.8m in revenue, while Asia followed suit with a 55.1% drop for the quarter at US\$3.6m. Australia was down 7.3% to A\$27.3m (NZ\$29.6m), while NZ fell 18.4% to \$27.8m.

Waka Kotahi committed \$2.5m for preparatory works to advance mass rapid transit plans in Christchurch.

Manufacturing and construction

Metro Performance Glass independent director Graham Stuart was voted off the board at the annual meeting. At the meeting the company warned it faced reduced demand in line with softening residential building activity. It came as two of its biggest shareholders – **Peter Masfen** and **Peter Wells** – made overtures to take over the company. Stuart, a former CFO at Fonterra and CEO at Sanford, also left the **ERoad** board with immediate effect after the emergence of a takeover bid for the company.

The country’s largest stone benchtop fabricator, **Affordable Granite Benchtops**, is phasing out using high-silica slabs in the wake of stronger WorkSafe

CORPORATE ROUND-UP

rules intended to protect workers from silicosis lung disease. **Fletcher Building-owned Laminex** also recently started moving its range of engineered stone to a low-silica format.

Courts, legal and regulation

Winton Land is claiming damages against Kāinga Ora of \$138.5m plus costs in its case alleging anti-competitive conduct.

The property arm of **Tauranga's Mitre 10 Mega** was fined \$500,000 by the high court for the use of an anti-competitive land covenant designed to stop competitor Bunnings from setting up nearby.

The Commerce Commission reminded grocery suppliers that requiring retailers to charge above minimum prices for their goods can breach the Commerce Act.

Technology and IT

Former **ERoad** chief executive Steven Newman returned as an adviser to the board ahead of its annual meeting. **Volaris Group**, ultimately owned by TSX-listed **Constellation Software** said it had no intention of lifting its takeover price bid for Eroad, which is reorienting its strategy to grow faster in the US market, where it has important beach-head customers.

Shares in customs and cross-border freight handling software firm **Trade Window** rose more than 20% on news that strategic partner **nChain** is to take a 19.99% stake for investments valued at \$11.1m, including cash of \$2.4m.

Service industries and healthcare

Private equity investor **Genesis Capital** added clinical trials company AusTrials to its portfolio and plans to wrap it up into a trans-Tasman offering with NZ's P3 Research, which it bought a 90% stake in Dec.

Pacific Edge's Cxbladder cancer testing was again deemed as "not considered medically reasonable and necessary" by the company's US Medicare administrator. The process is ongoing and the company said it could take up to four years to regain access if the decision was upheld.

Property

The Cav, Danny Doolan's and seven other venues

owned by **Good Spirits Hospitality** have been sold to Brew on Quay for \$20.7m in a transaction brokered by **Tonnant Partners**.

Corporate actions

Jarden is carving out its profitable wealth division from its broking and investment banking division, which has been carrying the losses of growing the Australian business. Jarden Group recently put in an extra \$64m of additional funding to help fund the expansion, with its Jarden Australia unit making losses of A\$13.3m (NZ\$14.3m) in the 15 months ended March 31 and A\$5.1m in calendar 2021. **Smart Environmental** hired UBS as it seeks more capital for expansion. It is targeting more than \$100m of revenue in the 2024 financial year, almost tripling the \$37m reported in 2017 after merging with Earthcare Environmental in 2021.

Capital markets

Milford Funds recorded an after-tax profit of \$11.3m for the March 31, 2023, year, a 10.3% decrease from the \$12.6m of 2022. Total revenue for the year was \$157.6m, down 9.6% from the previous year's \$174.4m.

Fisher Funds' revenue fell by 32% from \$199.4m to \$134.8m as its performance fee earnings slid from \$77m to zero for the 12 months to March 31, 2023. CEO **Bruce McLachlan** discouraged direct comparisons with the prior year because of the acquisition of Kiwi Wealth during the period.

People

CFO Jonathan Oram resigned from **The Warehouse Group** to take an executive position at a retail bank.

TSB's board added **Darren Linton** to its board last month and **Liana Poutu** will start in Sept, following the scheduled retirements of **Dion Tuuta, Anne Blackburn, Harvey Dunlop** and **Peter Dalziel**.

Robert Farron resigned from the Seeka board.

Ryman Healthcare appointed **Rob Woodgate** as its new group chief financial officer.

Google executive **Craig Fenton** was named the new CEO of NZ Rugby Commercial. 

