HUGOvision

Assessing the economic and political environment in New Zealand

September 1 2023 | Confidential to HUGO members

Text finalised September 1

Will National's tax plan create poll momentum?

It may be too much to suggest that National's tax plan announcement on Wednesday this week will be looked back on as the moment it won the election.

However, it appears to have been well-received by both mainstream media and voters, certainly moreso than the negativity that surrounded Labour's alternative: GST-free produce.

The mood in the Press Gallery, privately among Labour staffers, and in the business community is that a change to a National-led government is now close to inevitable.

The only questions are how large the Act caucus will be and whether NZ First will return to Parliament and have a potential either kingmaker or spoiler role.

Act has faced a couple of awkward moments, having to remove candidates from deep on their list for expressing conspiracy theorist views. In David Seymour's case, he has danced on the invisible line between "tell-it-like-it-is" maverick and dubious positioning with comments on the demise of the Ministry of Pacific Peoples and whether Nelson Mandela would have voted Act.

Raf Manji's hopes of taking Ilam look very slim, with a Curia poll for the Taxpayers Union putting committed voters at 33% for National, and Manji neck and neck with Labour in the mid-teens.

Only if the Labour vote collapsed to Manji would he make it to Parliament. We very much doubt that will happen.

For National, the key is to capitalise on any weakness in the Act vote and ensure waverers don't head to NZ First, as appears to be happening to some extent.

It continues to poll below 40% – too low to be certain of either a win or sufficient dominance in a coalition.

This election also appears to have a reasonably large undecided vote. National is seeking to be competitive with this group.

How the tax package helps

National's $14.6b package of tax cuts surprised on the upside in terms of scale. Even Labour's inflated costings of the plan prior to release had only estimated it at about $11b.

The use of funds collected from the ETS to fund tax cuts runs the risk that what this government has dubbed the Climate Emergency Relief Fund will become a creature of fiscal rather than climate change policy.

It is very opaque as to how National would treat additional funds collected from the ETS if, as they expect it to do, the carbon price rises substantially.

It must also be debatable whether NZers will make the connection between the so-called "carbon dividend" and, for example, petrol prices made higher by the ETS.

The main changes all trigger on July 1 next year.

The plan revolves around the following changes:

- lifting the three bottom income tax brackets by 11.5% – this is unchanged since it was announced by former finance spokesman Simon Bridges last year – $2.1b a year;
- Family Boost childcare tax credit (a 25% rebate on early childhood education expenses, max $3,900 per year) – $249m a year;
- broadening access to the $10 per week Independent-Earner Tax Credit – $188m a year;
- reversing the removal of interest deductibility for residential property, roughly $650m a year (these changes are phased between 2024 and 2026);
- adopting Labour's Working for Families promises – $200m a year;
- getting rid of GST on some Uber fees and other similar payments – $50m a year;
- bright-line test back to 2 years – $50m.

The bracket adjustments are modest by comparison with the extent of bracket creep since the last adjustment, in 2010, and National is committing only to review tax brackets every three years, not to continually adjust them from here on in.

Ironically, it is National's tweaks to Labour policies that do the heavy lifting. WFF changes will boost some family incomes by $25 a week, the IETC boosts the tax cuts offered to middle-income earners (below $66,000) by $10 a week. The tradeoff is that Labour's extended funding for early childhood education is axed.

Both major parties think young families, particularly women voters, are where the election will be won and lost this year and National's plan appears to have landed better with both the electorate and mainstream media than Labour's GST-free fruit and veges announcement.

Where National looks increasingly as if it is ready to govern, Labour is looking increasingly as if it expects to lose. A welter of policy announcements in areas that appear to scratch political itches – a new focus on educational basics, for example – looks more like catch-up than vision.

National's tax package will be funded by:

- cutting "bureaucracy" by $594m a year raiding the Emissions Trading Scheme to the tune of $602m a year as part of a "climate dividend". The GIDI scheme, which hit a publicity and funding high point by underwriting partial electrification of steelmaking at NZ Steel's Glenbrook plan, appears to be gone. While its abolition was not mentioned by name, National is making a virtue of ending "corporate welfare" – another line likely to resonate with middle NZ voters;
- axing assorted Labour programmes like public transport subsidies for people under 25 – $524m;
- reducing contractor spending – $400m (in addition to Labour's promise to reduce this spend by $174m);
- removing the foreign buyers ban for homes sold over $2m and taxing those sales at 15 per cent of the total purchase price;
- matching Labour's promise to end commercial building depreciation – $526m;
- closing "loophole" allowing international online gambling providers to avoid gambling levies and GST obligations – $176m;
- raising charges on visa fees – $199m.

It is clever politics. The foreign buyers' ban is popular, but National has always wanted to kill it. This does so in a less politically harmful way.

At the time of writing, Labour has found no "fiscal holes" in the plan, although they do question some of the assumptions that underlie it, particularly around the revenue that could be raised from gambling and foreign home buyers.

Nervous public servants

Just under $600m a year for the plan will come from cutting back-office bureaucracy – cuts that are in addition to what Labour promised earlier in the week. Labour argues it isn't credible to offer cuts to these departments in addition to what it is offering without cutting frontline services. National says that in the departments identified for cuts, spending has grown by 62% or $3.5b since 2018 and that cuts can be found.

There is a palpable air of resignation in the Wellington head offices of govt agencies that don't deliver health, education, police, child welfare, defence, or road-building about the inevitability of a leaner environment after Oct 14.

What's next?

Expect detail soon on whether and how National will deal with the Clean Car Discount. The scheme is popular with higher income car buyers since it generously subsidises the price of an EV. Whether National will axe it entirely remains to be seen.

However, it does seem likely that Road User Charges will be in EV users' future, although there may be a preference to introduce EV RUCs at the same time as digital technology to manage congestion charging.

The so-called "ute tax" is to be abolished.

What neither main party is offering yet

The missing piece of the election debate so far is economic policies intended to get the economy cranking again through productivity-led, high value growth.

The very high levels of concern that NZ is on the "wrong track" suggest that income and tax relief is not enough on its own to deal with the funk that the country is in.

A test for a suite of candidates across the political spectrum to shift that narrative will occur next Tuesday, when Business NZ hosts leaders and key portfolio holders at an all-day political seminar in Wellington.

The schedule is notable for the fact that BusinessNZ has gone out of its way to include representatives of fringe parties that owe their existence to the anti-covid vaccine mandate movement.

Farm forestry

The Overseas Investment Office has **rejected two of the first three applications by foreign buyers to convert farmland to plantation forestry** under newly implemented "benefit to NZ" rules.

Details of the decisions will be released next week, with would-be investors advised to "read these three cases carefully".

Labour's cuts

Labour delivered a surprise on Monday by announcing $4b in spending cuts over four years – a small down payment on the scale of the public sector shakeout that a more constrained fiscal outlook is likely to require.

The important thing for Labour is that these savings count towards improving the otherwise difficult fiscal outlook that will be published in the PREFU on Sept 12.

The real figure of savings are probably closer to $3b, which comes from axing programmes that were no longer needed (like aspects of the covid-19 response) and returning underspending.

The hardest to deliver will be the $1.4b that comes from permanently reducing public sector departmental baseline spending by between 1% and 2% – that is a real cut, which some departments will find painful (some have found it painful enough to leak details of the plan to National and Act).

Some $1b of the savings come from trimming future budget allowances by $250m in 2025 and $500m 2026.

The final PREFU forecasts were yet to be finalised as of this week, but Robertson said he believed the changes would be enough to meet the fiscal rule of delivering a surplus within the forecast period.

Simon Court for energy minister?

Speculation about Cabinet portfolios for Act is heating up. It is difficult to separate possible deals from sector participants' preferences.

However, there is a strong expectation emerging in the energy sector that the portfolio could go to Act's Simon Court.

An engineer by training and one of Act's sharper business minds, Court may also have the edge over National's lowly ranked energy spokesman, Stuart Smith.

Smith has failed to impress in various portfolios and is ranked 57th on the National list. This may reflect the fact that he is MP in the safe seat of Kaikoura, but to be so lowly ranked is not a vote of confidence.

Duelling polls

A 1News Verian poll put Labour on 29%, down four percentage points on the last poll in the series in July with National up two percentage points to 37% and Act up one point to 13%. The Green Party was on 12%, up two points, and Te Pāti Māori steady on 3%. It was Labour's lowest result in the poll in six years. The poll was conducted between Aug 12 and 16.

Labour's internal reporting was also partially released without details, but said to have been concluded shortly after the 1News polling period. It was reported to have Labour at 32% and National at 34%, Greens 11%, Act 10%, NZ First 6% and Te Pāti Māori 4%.

Briefly…

Both major political parties have **election campaign launches scheduled in Auckland this weekend.**

Chris Hipkins ruled out working with NZ First after the Oct 14 election while Christopher Luxon continued to rule out answering questions on the issue, saying it remains hypothetical.

National pledged to fund 1**3 new cancer treatments through Pharmac,** ringfencing $280m over four years by reintroducing a prescription fee.

The govt introduced, but will not pass ahead of the election, legislation proposing a **3% tax on digital services for any company that makes €750m (NZ$1.37b) a year from digital services globally** and over $3.5m a year from digital services in NZ. Ministers said the legislation would advance if multilateral attempts to set up a global tax failed to emerge, they estimated the tax would generate $222m over four years.

Cabinet approved **initial steps for greater regulation of carbon markets,** saying it is necessary to ensure fair market trading and prevent insider trading and misconduct. It is also continuing work on creating its own secondary market and clearing house platform.

A **large business delegation travelled to India** amid signs of a new, more pragmatic approach to the kind of trading relationship that NZ can have with India.

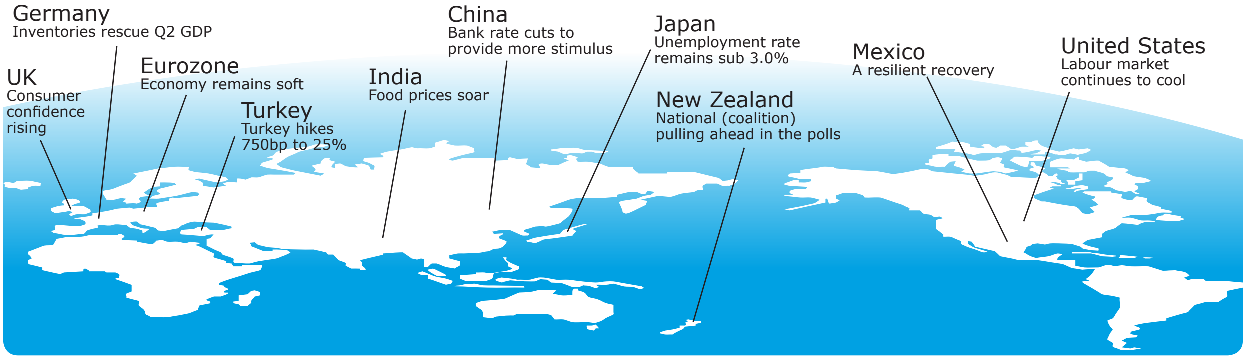
About **5,000 senior doctors and dentists will go on strike** as union members seek an improved pay offer to be in line with inflation.

Greens on light rail

The **Greens** have promised light rail lines in Auckland, Wellington, and Christchurch.

All three cities have "mass rapid transit" systems in the works under Labour, although in Wellington and Christchurch budget constraints could see that rapid transit turn into "bus rapid transit" rather than light rail.

The world at a glance



The Greens want to walk away from the current preferred Auckland Light Rail proposal, which involved being partly tunnelled and is costed at more than $14b.

They would prefer something closer to what Auckland Transport put up nearly a decade ago – a relatively modest street-level proposal. It would be far cheaper, they say. This modesty has a sympathetic ear in the Beehive, with Transport Minister **David Parker making noises about investigating the street-level version**. He is also keen to stage construction.

The Greens cost their multi-city package at about $12b, funded mostly through reprioritisations. The costings seem very optimistic. It thinks the Auckland and Wellington light rail lines could be completed for less than $2b each for example.

Guns

Act is quietly consulting on what its supporters would like to do with NZ's gun laws, issuing a consultation document with little fanfare over the weekend.

Guns are a key faultline with National. Act supports licensing users, National backs Labour's firearms registry, despite this being incredibly unpopular with gun-owners. National thinks it has been proved right with the recent spike in gun crime whetting the public's attitude for more, not less gun control.

Act has cultivated support among gun-owners. Former Coalition of Licenced Firearm Owners spokesperson Nicole McKee is an MP, and ranked third on the party's list. The party badly needs to deliver for firearms owners. Whether National will allow it is something else.

Labour has ruthlessly exploited the breach. Act promises to repeal all post-March 15 Mosque attack gun legislation and replace it with another regime.

Labour points out this would mean repealing the ban on Military-Style Semi-Automatic weapons, a very popular policy. It's not clear what Act would replace it with, or if National, who backed the ban, would agree to it.

GIDI is gone

The Government and Industry Decarbonisation Initiative (GIDI) is not explicitly abandoned in National's tax package announced this week.

However, the signal that it will not support "corporate welfare" is the tell.

The policy excites surprising passions both for and against within the business community.

By committing to making the ETS the primary driver of climate change emissions reductions, National is effectively adopting the approach preferred by the NZ Initiative, where Luxon key adviser Matt Burgess previously worked.

However, NZ Initiative economist Eric Crampton has questioned National's "carbon dividend" policy. In other countries, the dividend moves according to movements in the carbon price. National's doesn't.

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	5.3	4.7	4.9	0.9	2.0	0.8	2.0	2.3
Australia	15.4	5.2	3.7	1.5	1.3	2.3	2.9	6.6	5.6	3.2	2.5
United States	12.6	5.9	2.1	1.9	0.6	1.8	4.7	8.0	4.1	2.6	2.0
Japan	6.4	2.2	1.0	1.4	1.0	0.8	-0.2	2.5	3.0	1.7	0.9
Eurozone	5.4	5.3	3.4	0.6	0.8	1.6	2.6	8.4	5.5	2.5	2.0
South Korea	3.4	4.1	2.6	1.2	2.1	2.4	2.5	5.1	3.3	2.1	2.0
United Kingdom	2.8	7.6	4.1	0.2	0.4	1.6	2.6	9.1	7.3	3.0	2.5
Singapore	2.1	7.6	3.6	1.2	2.4	2.5	2.3	6.1	4.8	3.1	2.0
Hong Kong	2.2	6.3	-3.5	4.4	3.3	3.1	1.9	1.9	2.2	2.2	2.0
Taiwan	2.4	6.5	2.4	0.8	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	2.6	2.5
Indonesia	2.3	3.7	5.3	4.9	4.9	5.1	1.6	4.2	3.7	2.9	2.8
Thailand	1.8	1.6	2.6	3.5	3.8	3.4	1.2	6.1	1.9	1.9	1.7
Philippines	1.2	5.5	7.6	5.6	5.6	6.0	3.9	5.9	5.7	3.4	3.1
Vietnam	1.6	2.6	8.0	4.7	6.1	6.0	1.8	3.2	2.7	2.9	3.1
India	0.9	8.3	7.2	6.0	6.3	6.0	5.5	6.7	5.1	4.7	4.7
Canada	1.4	5.0	3.4	1.5	0.8	2.2	3.4	6.8	3.6	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	0.6	1.3	2.6	3.9	7.2	5.4	2.8	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	2.4	2.1	2.4	3.6	7.4	5.2	3.6	3.3

IMF's mixed bag of reckons

The IMF's annual review of the NZ economy and policy settings is a traditional opportunity for NZ officials to slip notes to the govt with suggestions.

This year's report was interesting for a number of observations that were largely unreported as media focused primarily on the IMF's forecasts.

Those were largely in line with prevailing conventional wisdom: NZ will experience either a shallow recession or weak growth for another year or so; immigration is both bolstering activity and tempering wage pressure but levels of net migration remain uncertain; the housing market is stabilising and will probably improve next year; the current account deficit is too high but is expected to correct.

More eye-catching were a number of policy observations. The IMF suggests that:

- investing in climate-resilient infrastructure should be prioritised, partly because post-summer storms reconstruction has to occur, partly because it is likely to be able to managed without being unduly inflationary, and partly because it's a necessary investment as climate change impacts grow;
- far more means-testing should be considered and the govt should curtail the growing practice of making cash injections into household budgets to counter the cost-of-living because this is likely to cause inflation and slow the impact of tight monetary policy to bring inflation down. Fiscal policy should be becoming tighter at present, not looser;
- Fair Pay Agreements are a good idea. It says the evidence from much more collectivised Australia is that wage pressures coming out of covid have been much less marked than in NZ. The long term and more predictable nature of collective wage agreements appears to smooth wage demands;
- the health reforms, while incomplete, are welcomed as an improvement – at least in principle – on the fragmented DHB system;
- NZ has a serious problem with the small scale of its IT sector and skills, which are among the lowest in the OECD. This is hampering firms' productivity;
- NZ remains an outlier internationally for not having a capital gains or wealth tax regime;
- the NZ corporate tax rate is starting to look uncompetitively high vs peers.

Currency watch

The Reserve Bank said it was watching carefully for movements in the NZ dollar, as it hit a nine-month low US$0.58. It has lost 7% against the greenback since the beginning of 2023.

Confidence

Consumers remain relatively gloomy, but the ANZ Roy Morgan consumer confidence index improved slightly in August. Perceptions of current personal financial situations lifted 1 point to -24%; a net 13% expect to be better off this time next year, up 2.

A net 31% think it's a bad time to buy a major household item, an 8-point improvement after last month's 12-point fall. Perceptions regarding the economic outlook in 12 months' time eased 2 points to -34%. The 5-year-ahead measure also fell 2 points to +1%.

House price inflation expectations lifted again, from 1.9% to 2.4%. Respondents in most regions expect house price growth of around 2½%, but Wellington was the outlier, with half that.

ANZ's business confidence survey also showed some signs of cautious improvement. Net confidence recovered to a net -3.7, from -13.1% in July. In April, it was -43.8.

Own-activity expectations, meanwhile, jumped to +11.2, from +0.8 in July. This is still below the long-term norm of +25.

Credit rating

Fitch Ratings reaffirmed NZ's AA+ long-term foreign-currency issuer default rating citing the country's wealth and advanced economy, robust governance standards, and bipartisan commitment to getting the govt's budget back into balance.

Labour market

Seek said its job ad volumes declined 4% month-on-month in July and were 26% lower year-on-year, and 1% higher than July 2019. Applications per job ad rose 11% m/m.

Changes in the seasonally adjusted filled jobs for the July 2023 month (compared with the June 2023 month) were: all industries – up 0.3% (6,123 jobs) to 2.38m filled jobs, primary industries – down 0.7% (757 jobs), goods-producing industries – up 0.4% (1,773 jobs) and service industries – up 0.3% (5,182 jobs).

Tough times for red meat

Meat Industry Association said China was still its largest market for July but sheepmeat exports to China were down 31% by volume to 12,148 tonnes and 45% by value to $74m.

Primary Sector

A2 Milk reported net profit was up by 26.2% to $144.8m in the June year with ebitda up 11.8% to $219.3m. Revenue grew 10.1% to $1.59b.

Ravensdown reported NPAT of just $429,000 in the year to May 31, versus $68.5m in the prior year. Revenue of $977.5m included insurance proceeds for flood damage and a fire at the co-operative's Napier plant, above last year's revenue of $922.4m.

Delegat reported NPAT of $64.8m, up 3% on the previous year's, as case sales climbed 9% to 3.7m. Operating ebitda was $120.4m, up 7%. Former chair **Jim Delegat** is returning to head the board as incumbent **Graeme Lord** announced a move to the South Island.

Scales Corp's underlying underlying ebidtda for the June half year fell 25.1% from $55.4m to $41.5m.

Villa Maria's Māngere operations will start shutting down this Oct as owner Indevin moves half of Villa Maria's bottling to the UK next February.

Comvita reported NPAT of $11.1m in the June year, down from $12.8m a year earlier. Ebitda rose to $33.5m from $30.1m as revenue climbed 12.1% to a record $234.2m.

Allied Farmers reported NPAT of $4m for the June year, up 16.06%. A group of **Waterman Capital** investors are standing in the market to increase their 14.25% in Allied to 19.99%, just below the trigger threshold for the Takeovers Code.

Elders again lifted its stake in **PGG Wrightson** to 12.3% from the 11.3% holding it built up last year.

Energy and resources

Genesis Energy said its strategic review of the company's future has to start on the first principle that NZ will by law be net zero carbon emissions by 2050, chief executive Malcolm Johns said. Genesis generated 65% of its electricity from renewable sources in the year to June 30, and reported a 16% drop in revenue to $2.37b. NPAT fell 11.8% to $195.7m from 2022's restated $221.9m net profit.

Mercury reported ebitdaf of $841m in the June year, 44.8% up on FY22, in a result dominated by wind and rain driving up generation.

Meridian Energy reported a 10% increase in ebitdaf of $783m for the June year, due to higher generation volumes and high wholesale electricity prices during the year. Underlying NPAT, at $315m, was a 35% improvement.

Manawa Energy CEO **David Prentice** will leave the company at the end of next week after the board agreed to him giving shortened notice. Cornerstone shareholder HRL Morrison & Co's **Clayton Delmarter** will be interim CEO. Prentice said he was leaving, having completed the set-up phase of the company.

Channel Infrastructure said revenue from continuing operations was $64.4m, up 10% from $58.4m in the second half of financial year 2022 when its refinery operation ceased.

Vector reported $1.72b NPAT for FY23, mainly due to one-off proceeds from the sale of half its metering business. Continuing operations delivered NPAT of $112.6m.

A **Kantar Public** study commissioned by the **Consumer Advocacy Council** said more than one in four small businesses (28%) say power bills are putting them under financial pressure, up from 21% in the first survey in the series taken in Dec 2022. 65% of residential consumers expressed the same concern, up from 58%. **Consumer NZ** began a campaign focusing on power company profits.

Banking, finance and insurance

Heartland Group is focusing on securing a banking licence in Australia after reporting NPAT of $95.9m in the June 30 year, up from $95.1m a year earlier, on a 17.7% increase in net operating income at $285.3m.

Kiwibank reported a record profit of $175m for the June year, growing its gross loan book 7.1% in the year to $29.78b.

The NZ division of Australian insurer **IAG** reported a profit of A$44m (NZ$47.6m) in the year to June, down from A$220m a year earlier, reflecting a spike in weather-related claims.

Telecommunications, media & entertainment

Chorus's NPAT dropped 61% to $25m with the decrease being attributed to interest rate rises and $15m in accelerated depreciation of copper cables. CEO **JB Rousselot** called for regulators to look into internet retailers not offering the full range of options for fibre internet, particularly low-user options, and how these products are presented to customers.

NZME recorded a post-tax profit of nearly $2m for the half-year, down from just under $8.5m in the first six months of 2022. The company said full year ebitda was likely to be at the lower end of the guidance range.

MediaWorks appointed **Wendy Palmer** as its permanent CEO, ending a six-month search to fill the top spot. Palmer had stood in since the departure of **Cam Wallace** in Feb.

Sky TV reported NPAT of $51m, up by 15% when adjusted for one-off items. Revenue rose 2% to $754m as Sky increased prices for satellite and streaming customers. Streaming revenue rose 11%.

Online retailer **Mighty Ape** is launching a prepaid mobile service via One NZ.

Vista Group International reported a $8.5m net loss in its first half, but is confident it can stop burning cash by the end of 2024.

Wholesale and retail

Michael Hill International reported group ebit of A$58.9m (NZ$63.87) for the 53-week year ending July 2, 2023, down 6.8% from A$62.9m in the prior year.

Woolworths' ebit on NZ operations fell 21% to $249m for the year to June 30, despite a 4.8% increase in total sales for the year, at $7.91b.

Hallenstein Glasson Holdings reported a 16.7% increase in group sales for the year to Aug 1, compared to the previous year. It expects group NPAT to be between $31.8m and $32.3m – a 25.2% increase from lockdown-affected 2022.

Transport and tourism

Air NZ rebounded from a covid-induced pre-tax loss of $810m in the 2022 financial year to produce a $574m pre-tax profit in the year to June 30. Passenger yields are currently between 25% and 35% stronger than pre-covid. It announced a special dividend.

Auckland International Airport's underlying profit was $148.1m for the 12 months to June, up from a loss of $11.6m in 2022.

Christchurch International Airport reported NPAT of $36.8m in the June year. Passenger numbers were 82.5% of pre-covid levels (domestic 90.2% and international 60%), improving through the year. It released its preferred runway alignment for a possible future airport in Central Otago.

Port of Tauranga delivered a 5.2% improvement in June year NPAT, at $117.1m. Cargo volumes decreased 3.6% to 24.7m tonnes, container volumes were down 5.1%, at 1.18m twenty-foot-equivalent units. Revenue was $420.9m, compared with $375.3m the previous year. **Port of Auckland** reported underlying NPAT of $45.2m, up $20.2m on the previous year. **South Port** reported a record normalised profit of $11.50m for the June year, despite a decrease in cargo volumes. A decrease in cargo was offset by an increase in log shipments.

Freightways reported a June year NPAT increase of 7%, at $75.3m.

Tourism Holdings reported NPAT of $49.9m for the June year as it recovered from earnings collapse during covid and included earnings of Apollo, which it acquired during the year.

Manufacturing and construction

BlueScope's NZ Steel division reported ebit of A$128.6m (NZ$139m) in the June year, less than half the A$265.4m a year earlier. The slide was steeper than the 14% decline in annual sales to A$962.6m, reflecting smaller volumes and higher coal prices.

Courts, legal and regulation

The Supreme Court ordered the directors of **Mainzeal** to pay $39.8m plus interest for letting the construction firm keep trading while insolvent and owing $110m to unsecured creditors.

A guilty verdict was reached in the **Pushpay** insider trading case. A second civil proceeding involving the guilty individual, who maintains name suppression, and another person has been filed in the High Court.

Technology and IT

Trade Window lifted June quarter revenue by 28% to $1.5m with annual recurring revenue of $5.9m, up 41% from a year earlier.

Service industries and healthcare

Ebos's underlying NPAT for the year Dec 31 lifted 23% to A$281.8m.

Fisher & Paykel Healthcare expects operating revenue to be roughly $790m in H123, up from the $690.6m it reported a year earlier.

Capital markets

NZX said operating earnings of $20m for the six months were up 15% on the previous comparable period. Excluding acquisition, integration and integration costs, group operating earnings were $20.6m – up 16.8%. Net profit was $7.0m, down 5.6%.

People

Jason Doherty will succeed **Godfrey Boyce** as the next CEO of **KPMG NZ.**