

A race to Christmas

The new government will spend next week getting its feet under the metaphorical desk before Parliament resumes on Dec 5. It is likely to sit until Thursday, Dec 21, and could use urgency to sit as late as Dec 22. That was already in prospect before the coalition talks took longer than desired. Repealing David Parker's RMA reforms, FPAs and some other measures will take precedence. New fast-track RMA legislation is expected to be introduced before Christmas, with select committee deliberation early next year. Chris Bishop hopes to complete a new round of RMA reform in the next three years. Good luck with that.

A substantive result

Armchair critics of how long the coalition talks can now see what was going on. The coalition agreements between National and both NZ First and Act are very detailed and amount in many areas to a significant economic policy reset. We devote most of this issue of HUGOvision to recording rather than analysing the large number of initiatives that have been announced that will, in combination, have a significant impact on NZ's economic policy settings.

Hiring spree ahead

The week required before Parliament sits reflects how little of the parliamentary infrastructure of the new government is in place. The need to get ducks in a row is real. Parliamentary staff, particularly politically sensitive appointments, need to occur. A legislative agenda needs to be drawn up, and the Cabinet needs to be sworn in. The Department of Internal Affairs is (unreliably, but credibly) said to be holding 400-plus CVs of people encouraged to apply for work in the new administration. Staff for the outgoing government had until this evening to vacate the premises physically, but remain in post until a new Cabinet is sworn in.

Tax cuts intact

The new government remains committed to enacting National's proposed tax thresholds adjustments and most related family income boosts. That is despite the foreign home buyers' tax being scrapped at NZ First's insistence. This implies a larger fiscal challenge for the incoming government than that already presented.

National dominates key portfolios

For all the speculative media commentary of the last month and a half, National has emerged with most of its manifesto plan intact – it stands unless the two coalition agreements say otherwise – and has the pick of the major portfolios, befitting its major party status.

The future of CCHL

Recently appointed chair of Christchurch City Holdings, Abby Foote, has laid out the argument for why the city should consider more active management of its \$5b-plus portfolio, including that the six companies it comprises are collectively under-performing for ratepayers. Not quite a privatisation argument, but very close.

Coalition agreements – the detail

Today's two coalition agreements contain an impressive amount of detailed policy. There were also assurances that there was no side-document like the not-so-secret one that bedevilled Labour's 2017 agreement with NZ First.

Rather than attempt to give a complete view, we summarise the details in the pages that follow.

One key thing to note: both the Act and NZ First agreements contain the same wording, which make clear that National's election manifesto policies – its Fiscal Plan, Tax Plan, 100 day plan, and 100 point economic plan, stand unless they are altered by the agreement.

In other words, the coalition **agreements need to be read in conjunction with National's announced policies.**

Tax and finance

National's \$14.6b tax cut package survives and is extended in places. The start date of 1 July 2024 for most policies remains unchanged. This means:

- Income tax thresholds (bar 39% top rate) will be adjusted upwards by 11.5%, (\$8.9b over four years).
- A new Family Boost tax credit on childcare costs for families (\$1b over four years).
- The \$10 per week IETC (a tax credit) will be extended (\$707m over four years).
- Interest deductibility for residential landlords will be reinstated from 1 April 2024. Act managed to get National to agree to reinstating deductions two years faster, with full reinstatement by 2025/26 (uncosted).
- The bright line test will be returned to 2 years from 10 years, a win for National as Act wanted it gone completely (\$200m).
- NZ First managed to force National to scrap its policy of overturning the Foreign Buyers' Ban and replacing it with a tax of 15% on sales over \$2m. (\$2.9b).
- One potentially significant commitment is National has agreed the "concepts" of Act's income tax policy will be considered as a "pathway" to delivering its promised tax relief, subject to no earner being worse off than they would be under National's plan. The concept behind Act's tax plan was to flatten the tax system by reducing the number of tax brackets and use tax credits for low income earners to ensure no-one was worse off.
- The parties also agreed to "no ongoing commitment to income tax changes" beyond those

delivered in 2024. National had wanted to do regular reviews of bracket creep, and to potentially adjust brackets accordingly. Act did not favour that idea.

National left \$100m of buffer in its fiscal plan.

Accelerating the removal of interest deductibility and scrapping the foreign buyers' tax will put pressure on the government to deliver it without more borrowing. Luxon said "policy changes" would be used to make up the difference, but he did not specify what these would be.

- Core Crown spending will reduce as a share of the economy, although all three parties pledged to do this anyway, and reduce "back-office functions".
- The "app tax" won't be scrapped, as National intended, extending GST coverage for Uber and Air BNB charges.
- A \$25 increase to Working for Families In-Work Tax Credit and abatement threshold adjustment (\$1.4b) will be **delayed or cancelled.**
- Act has compromised that public sector headcount reductions would be "informed by" increase in headcount since 2017. Act had wanted to reduce headcount back to 2017 levels.
- Super age will stay at 65, and Government Super Fund contributions stay. Winter Energy Payment stays and is increased, giving superannuitants an additional \$600 a year.
- The three parties included an escape clause to the fiscal plan, saying it was subject to economic conditions.

The economy, business & employment

- Fair Pay Agreements will be repealed by Christmas 2023.
- A commitment with Act to reform health and safety law – no further detail on what this will entail. Brooke van Velden is the minister responsible.
- The former 90-day trial regime will be restored to all employers, not just those with fewer than 20 employees.
- A commitment to "consider" the regime for personal grievances against an employer including whether there should be a salary cap meaning well-paid people would have less ability to take a PG claim.
- RSE cap will be increased.
- The median wage requirement in the Skilled Migrant Category visa will be removed.
- A Parent Category visa for parents of migrants will

be reduced. Applicants will have to demonstrate they can support themselves.

- National and NZ First agreed for a **select committee inquiry into banking competition** focusing on “competitiveness, customer services, and profitability”.
- “Explore **options**” to **strengthen the power of the Grocery Commissioner** and try to encourage a third entrant.
- The government will assess the impact of inflation on effective tax rates before 2026. This **could pave the way for further tax changes next term**.
- IRD will get more funding for its audit function – a commitment secured by NZ First.
- Act gets a new **Minister and Ministry of Regulation, funded by axing the Productivity Commission**. It wants to reduce the amount of regulation and improve its quality. A new ministerial portfolio is established for David Seymour.
- There will be regular reviews of a sector’s regulation. Suggested sectors include: **finance, early childhood education, and healthcare occupational licensing**.
- The Credit Contracts and Consumer Finance Act will be rewritten.
- The **Overseas Investment Act will be amended to significantly curtail ministerial oversight to simply national security concerns**, and to accelerate speed of decisions.
- Commerce Commission market studies will be amended to focus on “reducing barriers to new entrants” and driving competition.
- The Crown Minerals Act will be amended to clarify government’s role to promote the use of minerals. This existed was removed under Labour.
- “Explore” creating a “**critical minerals list**” which would allow firms to have a “preferential pathway” should they choose to exploit those minerals.
- Offshore oil and gas exploration ban will be scrapped.
- “Investigate” reopening of Marsden Point Refinery and commission a study into fuel security.
- Detailed business case for Marsden Point dry dock.
- Support development of hydrogen production using natural gas, including “blue” hydrogen.

Monetary policy

- Labour’s employment mandate will be dropped, with the Bank refocusing on a single inflation

target.

- The government will get advice on replacing the “medium term” phrase in the Bank’s remit with a specific date.
- Take advice on removing Treasury observer and returning the Governor alone rather than a Monetary Policy Committee setting a cash rate.

Education

- Charter schools will be reestablished.
- There will be unspecified action on truancy.
- Schools will require one hour a day on reading, writing and maths.
- Free first year tertiary education will be replaced with final year fees free after 2025 – a **substantial fiscal saving**.
- Apprenticeship Boost scheme will be kept.
- Strip out cultural aspects of education, removing “gender, sexuality, and relationship-based education guidelines”.
- A review of the funding formula for private schools to reflect their student numbers.
- Free school lunches stay, but “cost effectiveness” will be reviewed.

Health

- The Māori Health Authority scrapped.
- Big reforms to Pharmac to allow for “patient’s voice” to be taken into account.
- Broaden the terms of reference of the Covid-19 Royal Commission. No detail.
- A **Medicines Strategy** for funding new medicines will be published every three years.
- Pharmacists will be allowed to prescribe certain treatments.
- Examine abolishing the Māori and Pacific Admissions scheme to Otago medical school.
- Pharmac’s budget will be increased each year.
- Medsafe will approve new pharmaceuticals within 30 days of them being approved by at least two international regulators recognised by NZ.
- The Therapeutic Products Act will be repealed.
- There will be greater Crown funding of St John.
- Recent smokefree legislation will be repealed,

Peters taunts media

Winston Peters used the first press conference of the new government to taunt news media, telling journalists at one point: “you lost”.

Given the need to maintain party differentiation, Peters can be expected to make media-baiting one of his calling cards.

Some media welcome his attempt to discipline limelight-hogging colleagues.

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CABINET**National Party Ministers**

Christopher Luxon, Prime Minister, Minister for National Security and Intelligence, Minister Responsible for Ministerial Services.

Nicola Willis, Minister of Finance, Minister for the Public Service, Minister for Social Investment, Associate Minister of Climate Change.

Chris Bishop, Minister of Housing, Minister for Infrastructure, Minister Responsible for RMA Reform, Minister for Sport and Recreation, Leader of the House, Associate Minister of Finance.

Dr Shane Reti, Minister of Health, Minister for Pacific Peoples.

Simeon Brown, Deputy Leader of the House, Minister for Energy, Minister of Local Government, Minister of Transport, Minister for Auckland.

Erica Stanford, Minister of Education, Minister of Immigration.

Hon Paul Goldsmith, Minister for Arts, Culture and Heritage, Minister of Justice, Minister for State Owned Enterprises, Minister for Treaty of Waitangi Negotiations.

Hon Louise Upston, Minister for the Community and Voluntary Sector, Minister for Social Development and Employment, Minister for Child Poverty Reduction.

Hon Judith Collins, Attorney-General, Minister of Defence, Minister for Digitising Government, Minister Responsible for the GCSB, Minister Responsible for the NZSIS, Minister of Science, Innovation and Technology, Minister for Space and Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques.

Hon Mark Mitchell, Minister of Corrections, Minister for Emergency Management and Recovery, Minister of Police.

Hon Todd McClay, Minister of Agriculture, Minister of Forestry, Minister for Hunting and Fishing, Minister for Trade, Associate Minister of Foreign Affairs.

Tama Potaka, Minister of Conservation, Minister for Māori Crown Relations: Te Arawhiti, Minister for Māori Development, Minister for Whānau Ora, Associate Minister of Housing (Social Housing).

Matt Doocoy, Minister for ACC, Minister for Mental Health, Minister for Tourism and Hospitality, Minister for Youth, Associate Minister of Health, Associate Minister of Transport.

Melissa Lee, Minister for Economic Development, Minister for Ethnic Communities, Minister for Media and Communications, Associate Minister for ACC.

National Party Ministers outside Cabinet

Simon Watts, Minister of Climate Change, Minister

of Revenue.

Penny Simmonds, Minister for Disability Issues, Minister for the Environment, Minister for Tertiary Education and Skills, Associate Minister for Social Development and Employment.

Chris Penk, Minister for Building and Construction, Minister for Land Information, Minister for Veterans, Associate Minister of Defence, Associate Minister of Immigration.

Nicola Grigg, Minister of State for Trade, Minister for Women, Associate Minister of Agriculture (Horticulture).

Andrew Bayly, Minister of Commerce and Consumer Affairs, Minister for Small Business and Manufacturing, Minister of Statistics.

Act Ministers

David Seymour, Deputy Prime Minister (from 31 May 2025), Minister for Regulation, Associate Minister of Education (Partnership Schools), Associate Minister of Finance, Associate Minister of Health (Pharmac).

Brooke van Velden, Minister of Internal Affairs, Minister for Workplace Relations and Safety.

Nicole McKee, Minister for Courts, Associate Minister of Justice (Firearms).

Andrew Hoggard (outside Cabinet), Minister for Biosecurity, Minister for Food Safety, Associate Minister of Agriculture (Animal Welfare, Skills), Associate Minister for the Environment.

Karen Chhour (outside Cabinet), Minister for Children, Minister for the Prevention of Family and Sexual Violence.

Simon Court MP, Parliamentary Under-Secretary to the Minister for Infrastructure, Parliamentary Under-Secretary to the Minister Responsible for RMA Reform.

New Zealand First Ministers

Rt Hon Winston Peters, Deputy Prime Minister (until 31 May 2025), Minister of Foreign Affairs, Minister for Racing.

Hon Shane Jones, Minister for Oceans and Fisheries, Minister for Regional Development, Minister for Resources, Associate Minister of Finance, Associate Minister for Energy.

Casey Costello, Minister of Customs, Minister for Seniors, Associate Minister of Health, Associate Minister of Immigration, Associate Minister of Police.

Mark Patterson (outside Cabinet), Minister for Rural Communities, Associate Minister of Agriculture.

Jenny Marcroft MP, Parliamentary Under-Secretary to the Minister for Media and Communications. 

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removing the generation ban, denicotinisation of cigarettes and the reduction of the number of retail outlets that can sell cigarettes.

Agriculture

- The methane reduction targets, currently in Zero Carbon Act, will be reviewed for “consistency with no additional warming”. Act compromised and accepts the Zero Carbon Act will stay.
- Live export ban will be reversed.
- There will be no new Significant Natural Areas and SNA regime will be reviewed as part of RMA review.
- Farmers will be allowed to offset their on-farm emissions with on-farm sequestration.
- Liberalise GE laws.
- NPS on Freshwater Management 2020 will be replaced, allowing district councils “more flexibility”.
- **ETS settings review will be binned**, giving greater certainty to sector – **a win for carbon forestry**.
- NES for Plantation Forestry will be amended to force harvesters to contain or remove slash.

Housing, Local Government

- Three Waters will be abolished (details pending).
- Medium-Density Residential Standards will be made voluntary for councils.

- RMA replacement legislation repealed by Christmas 2023 and revert to old RMA system while coalition drafts a new RMA replacement “premised on the enjoyment of property rights as a guiding principle”. **New fast-track legislation for introduction by Christmas, if possible.**
- Long-term city and regional infrastructure deals established, allowing PPS, tolling, and value capture tools for councils.
- Financial incentives for cities to build more infrastructure will be introduced. National committed to at least “consider” Act’s policy of allowing councils to capture some GST.
- Allow landlords to issue 90-day eviction notices to tenants without providing reasons.

Infrastructure

- National Infrastructure Agency will be established.
- Regional Infrastructure Fund worth \$1.2b over next three years – **NZ First win**. PGF-equivalent?

Transport

- Auckland Light Rail and Let’s Get Wellington Moving will be scrapped.
- Fuel taxes will be replaced with universal electronic road user charges.
- Work with Auckland Council to begin “time of road use” charging, favoured by the Mayor.
- Clean Car Rebate (ute tax) to be abolished.

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	8.1	3.0	5.2	4.5	4.2	0.9	2.0	0.5	1.6	1.9
Australia	15.4	5.2	3.7	1.8	1.4	2.4	2.9	6.6	5.6	3.5	2.6
United States	12.6	5.8	1.9	2.4	1.1	1.9	4.7	8.0	4.2	2.7	2.3
Japan	6.4	2.2	1.0	1.9	1.0	1.0	-0.2	2.5	3.2	2.2	1.4
Eurozone	5.4	5.6	3.3	0.5	0.6	1.4	2.6	8.4	5.5	2.6	1.9
South Korea	3.4	4.3	2.6	1.2	2.0	2.4	2.5	5.1	3.5	2.3	2.0
United Kingdom	2.8	7.6	4.3	0.4	0.2	1.1	2.6	9.1	7.4	3.1	2.3
Singapore	2.1	8.9	3.6	0.9	2.1	2.7	2.3	6.1	4.8	3.1	1.8
Hong Kong	2.2	6.4	-3.5	3.7	3.1	2.7	1.6	1.9	2.0	2.1	2.1
Taiwan	2.4	6.5	2.4	1.0	3.0	3.0	2.0	3.0	2.3	1.7	1.5
Malaysia	1.8	3.3	8.7	4.0	4.3	4.6	2.5	3.4	2.7	2.5	2.4
Indonesia	2.3	3.7	5.3	5.0	4.9	5.0	1.6	4.2	3.7	3.0	3.1
Thailand	1.8	1.5	2.6	2.8	3.7	3.4	1.2	6.1	1.6	1.9	1.7
Philippines	1.2	5.7	7.6	4.9	5.5	6.1	3.9	5.9	6.1	3.8	3.4
Vietnam	1.6	2.6	8.0	4.6	6.0	6.5	1.8	3.2	3.3	3.6	3.5
India	0.9	9.1	7.2	6.4	6.2	6.6	5.5	6.7	5.5	4.7	4.6
Canada	1.4	5.0	3.4	1.1	0.6	2.2	3.4	6.8	3.9	2.6	2.1
NZ Trading Partners	100.0	6.2	3.1	3.2	2.8	3.1	2.1	4.6	3.0	2.4	2.1
Forecasts for New Zealand											
Consensus		6.0	2.7	1.3	1.5	2.4	3.9	7.2	5.8	3.4	2.2
BNZ Forecasts		6.0	2.7	1.2	0.8	3.1	3.9	7.2	5.7	3.4	2.4
The World		5.9	2.9	2.5	2.1	2.3	3.6	7.4	5.5	4.0	3.6

POLITICS AND POLICY

- Four-lane highway for Northland as an alternative for the Brynderwyn road. Investigate private funding/provision. ‘

Governance

- Legislation to establish a four-year term will go at least to a select committee, but will only occur following a successful referendum.

The three parties campaigned on a number of fairly controversial cultural issues relating to Covid-19, race relations, and gender.

Some promises made it into the coalition deal, and will be implemented. It’s difficult to tell whether this deal gives these issues legs, or whether public and political interest will wane over time.

- Act’s Treaty Principles Bill will be supported to the select committee stage. No referendum.
- NZ First secured a **big change to the way the Treaty Principles are used**. It won support for removing references to Treaty Principles from all non-settlement legislation and replacing them with specific wording – **a clear signal to the courts the new government is unhappy with the way the judiciary has liberally interpreted Treaty principles**.
- A government commitment not to change the official name of New Zealand to “Aotearoa”; primary name of government agencies to be English.
- Hate speech legislation dumped. Tertiary education funding linked to upholding freedom of speech on campus.
- Establish a second Covid-19 inquiry (separate from royal commission) that will look at things like lockdowns, the efficacy of vaccines.
- A Cabinet Office circular will be issued requiring all services to be delivered on basis of “need, not race”.
- Remove co-governance from public services like health and water.

- Waitangi Tribunal legislation will be amended to pare back the Tribunal’s remit.
- Publicly funded sports bodies to make sure “fair competition” is “not compromised by rules relating to gender”.

The future of CCHL

The newly appointed chair of Christchurch City Holdings Ltd, Abby Foote, has made an important speech today to the company’s first public AGM.

Amid claims that the Christchurch City Council is considering asset sales from its \$5b-plus CCHL portfolio, Foote did not go so far as to express a view either for or against full or partial privatisation.

She did highlight that some of the assets operate as monopolies and are regulated to ensure fair outcomes for consumers, and focused on the extent to which the current asset base reflected the foresight of city leaders 30 years ago.

CCHL needs to support Christchurch for the next 30 years, she argued. Not all CCHL companies are performing adequately, and “ratepayers cannot afford to subsidise these businesses”.

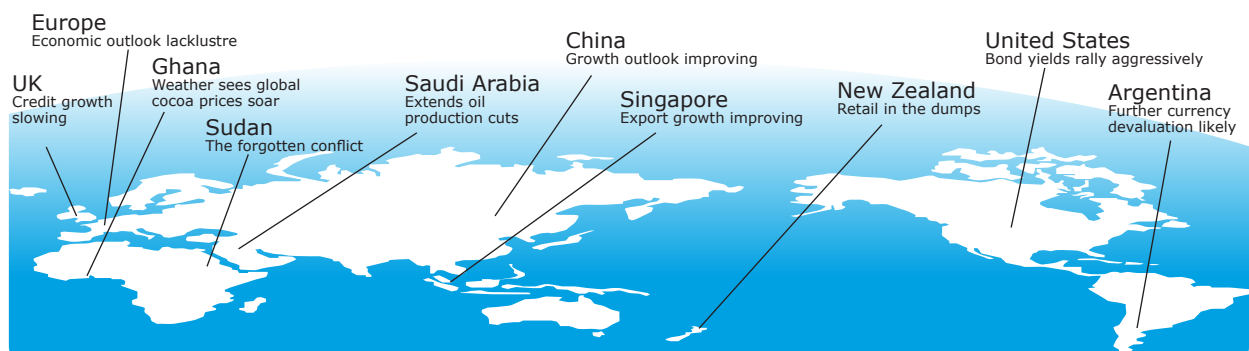
“As a collective, the companies are delivering levels of financial returns lower than what ratepayers are entitled to expect.”

“This comes at a time when, a number of them now require significant investment to enable their future growth.”

CCHL had traditionally been a “passive” investor and this was contributing to the six companies in the portfolio “significantly underperforming market benchmarks”.

“The city cannot afford to carry underperforming businesses. The Group financial underperformance reduces our ability to deliver dividend flows to the city or to adequately generate capital to support the growth opportunities for companies in the Group.”

The world at a glance



Early signs that rates have peaked

A growing number of economists expressed increasing confidence the Reserve Bank won't hike the OCR again, with the latest set of consumer price figures showing the pace of inflation abating.

ANZ is no longer forecasting more hikes in the official cash rate but pushed out its expectation for any rate cuts by one quarter to Feb 2025.

And Westpac this week announced a 10bps cut to its two and three year "special" mortgage rates, now set at 6.99% and 6.75% respectively.

Implications for the MPS

The next big test for the future rate track will be in next Wednesday's monetary policy statement, where the key question will be whether – and to what extent – the RBNZ publishes a new, more dove-ish OCR forecast than the one it produced in August.

Financial markets are now pricing in three rate cuts in 2024 amid signs that the labour market is softening fast and that inflation is starting to moderate in response to weak trading conditions for many businesses and constrained household consumption.

Against that, however, is the unknown inflationary impact of the recent very strong surge in net immigration.

The RBNZ is therefore unlikely to want to do anything to encourage foregone conclusions about having definitely reached the top of the cycle just yet. It would be consistent with that concern if the central bank were to publish a mildly lower forecast OCR track while maintaining relatively aggressive commentary.

That said, it is likely to lower its forecast for calendar 2023 from 5.2% to somewhat below 5%, consistent with the growing evidence that inflationary pressures are moderating in most areas, with the notable exception of local body rates and insurance premiums. The RBNZ may have to make a call on how to treat these increases, which appear to be structural and not amenable to monetary policy pressure.

Economic indicators

Food prices fell a seasonally adjusted 0.1% in October and were 6.3% higher than a year earlier, slowing from an annual increase of 8% in September. The figures are from a new monthly series from Stats NZ, intended to improve inflation information between quarterly CPI announcements. Rental prices rose 4.2% from a year earlier, while the newly selected price measures showed cheaper domestic

and international airfares and diesel prices, although petrol prices were up 13.6% from a year earlier.

The **Oct goods trade deficit** was \$1.7b versus \$2.3b in the same month a year earlier. Oct exports were down 9.3% to \$5.4b, while imports fell 14% to \$7.1b. Milk powder, butter and cheese led the fall in exports. Infant formula, however, rose 17% to \$240m.

The **Business NZ-Bank of NZ Performance of Services Index slipped** from a barely positive 50.6 reading in Sept to 48.9 in Oct. The largest part of the index to fall month-on-month was activity/sales, which dropped to 47.4 in Oct from 50.9 in Sept. The PSI followed a particularly weak reading of 42.5 for its equivalent manufacturing index in Oct.

There was a **record net migration gain** of 118,800 in the year to Sept 30, mainly driven by migrants from India, the Philippines, China, Fiji and South Africa. Total long-term migrant arrivals were 237,083 while long-term migrant departures numbered 118,248.

Sales increased 20% to 1,954 in **Auckland's real estate market** last month, helping pull up the national count to 5,619 sales, up 8% on last Oct.

A **Buy NZ Made survey of small businesses** said 64% are struggling with rising costs and 30% are struggling with cashflow and inflation. Less than half are optimistic about the Christmas period and a quarter say just staying afloat will be their focus in 2024.

Transport costs jump

The National Road Carriers Association said transport costs increased 17% in the Sept quarter driven by an 11% jump in diesel and the return of full road user charges. Not all costs increased. The price of tyres fell for the second consecutive quarter.

The Auckland exodus

At the same time as Auckland is the primary destination for the surge in new migrants noted above, there is a simultaneous trend for migration out of the country's largest city to areas with lower housing costs and ageing populations moving to regional locations.

"Internal migrant" outflows from Auckland were already well-established before covid lockdowns ended.

As a result, StatsNZ estimates a gross population shift of about 15% in the wider Auckland region in recent years, reflecting a migration influx of 10% from international migrants arriving and 5% of previously resident Aucklanders departing for other parts of the country. Christchurch and Wellington show similar outflows, if not the same migrant inflows. ■■

CORPORATE ROUND-UP**Primary Sector**

The **a2 Milk Company's** long-serving chair, **David Hearn**, stood down at the company's AGM with **Pip Greenwood** taking his place. He said the company had no plans to dump Synlait as its supplier, but that it had to look long-term.

Two director exits from fisheries company **Sanford** were the result of shareholder Ngāi Tahu Investments agitating against its independent directors. Ngāi Tahu holds 19.87% of Sanford.

The Commerce Commission approved **Sealord** taking over the fishing business of **Independent Fisheries**.

Alliance Group reported an after-tax loss of just over \$70m to Sept 30 this year, compared to an after-tax profit of \$73.6m in 2022. Alliance's revenue fell by \$200m to \$2b.

Delegat expects global case sales of 3.6m cases for 2024, a decrease of 1.7% compared to last year and 5.5% lower than previous guidance. It also reduced guidance for NPAT to a range of \$57m to \$61m, vs \$62m to \$67m previously.

State-owned farmer **Landcorp** – which trades as **Pāmu** – is winding up part of its food operations after being told by its now outgoing minister to focus on its core farming business.

Energy and resources

Manawa Energy reported earnings from continuing operations of \$78m and underlying earnings of \$39m, up 11% and 13%, respectively, for the six months to Sept 30.

NZ Green Investment Finance set aside \$20m to launch a new early-stage debt programme targeting small and medium-sized enterprises to help them decarbonise.

The West Coast's regional economic development agency invested \$3m in mineral sands miner **WMS Group**. WMS Group mines and exports titanium-rich ilmenite along with small amounts of rare-earth minerals from private farmland near Cape Foulwind.

Transpower is asking the Commerce Commission to approve an almost 40% increase in revenue to cover increased capital expenditure and operating spending to maintain and upgrade the national electricity grid.

Obayashi Corporation purchased of a 50% stake in **Eastland Generation** for \$228m. OIO approval is required.

Stage one of **Mercury's** Kaiwera Downs ten turbine 43MW windfarm began generating.

Carbon certification service **Toitu** will stop accepting credits from the Permanent Forest Sinks Initiative, saying they do not meet international best practice.

Banking, finance and insurance

ANZ NZ reported a net profit of \$2.14b in the 12 months ended Sept 30, down from \$2.3b a year earlier, with \$127m of losses on its economic hedging weighing on the bottom line, after a gain of \$235m a year earlier. The bank's favoured measure of earnings – cash profit – rose 10% to \$2.26b as the rising interest rate environment helped increase its net interest margin to 2.64% from 2.47% a year earlier.

Tower reported a net loss of \$1.2m for the year to Sept 30 vs a profit of \$18.9m last year, reflecting the impact of early new year storms and cyclones. No dividend will be paid. Chair **Michael Stiassny** warned that rising insurance risk would limit cover in the future. "In an ideal world, Tower would continue offering affordable, comprehensive cover to all, but in today's complex environment, that approach will not support a sustainable, resilient business," Stiassny said. The insurer also announced it won't offer insurance to farms from Feb next year, referring rural customers to **Aon NZ** as part of streamlining its business.

Former National minister and TVNZ chief executive **Simon Power** will take over at KiwiSaver provider **Fisher Funds** following **Bruce McLachlan** retiring next Feb.

Telecommunications, media & entertainment

TAB is to acquire the loss-making sports radio network **SENZ** for \$4m.

The Commerce Commission indicated some concerns about **One NZ's** acquisition of Dense Air and its spectrum.

NZME unveiled a new three year strategy, with an emphasis on growing podcasting, bundled subscription offers, and gaining market share in residential property listings through its OneRoof offering.

MediaWorks appointed **Mike Watkins**, the former head of JCDecaux NZ, to run its outdoor advertising division.

Wholesale and retail

Michael Hill reported a 2% increase in group sales for the first 19 weeks of FY24, compared to the same period last year. The core Michael Hill brand saw sales decline compared to the record start to FY23, although they are up 13% on FY22 and 15% on pre-pandemic trade in FY19.

CORPORATE ROUND-UP

The Warehouse reported shrinking sales across the board in the 13 weeks ended Oct 29, but most sharply in its Torpedo7 sporting goods chain.

MyFoodBag reported a 35.6% decline in 1H24 ebitda at \$7.4m on revenue 11.2% lower at \$83.8m.

Mitre 10 and **Placemakers** said they will not follow **Bunnings** and stop selling engineered stone products.

Woolworths is to spend \$45m on safety initiatives after a 131% rise in assaults on staff.

Transport

Freightways acquired Auckland-based international freight forwarder and e-commerce specialist **First Global Logistics** for an undisclosed but non-material sum. FGL is strong in e-commerce delivery.

Napier Port's net profit fell 18.8% to \$16.6m from \$20.4m, in line with expectations after pandemic disruption and Cyclone Gabrielle.

A decision needs to be made on **Port of Auckland** to give certainty around the future of the supply chain said Customs Brokers and Freight Forwarders Federation president Rachel Madden. The group was agnostic about whether the port should move or not.

Waka Kotahi is proposing to close the Brynderwyn Hills section of the SH1 for two months early next year, prompting calls for government subsidies to freight carriers. **NZ First**, with its Northland focus, was angered by the decision, announced during coalition negotiations.

Manufacturing and construction

The manager charged with securing contracts to progress the \$503m **Scott Base** redevelopment project resigned, along with at least three others working on the stalled project that has increased its budget from \$344m to more than \$500m.

AFT Pharmaceuticals reported \$1.8m NPAT for 1H24, on a 27% increase in revenue to \$83.6m and anticipates revenue exceeding \$200m in the next financial year.

Courts, legal and regulation

The directors of collapsed early childcare education company **Rainbow Corner** were bankrupted.

The Supreme Court rejected an appeal by **Cloud**

Ocean Water that would have let the water bottler use an existing consent to take water at the former Kaputone wool scour site for bottled water.

Technology and IT

Infratil said growth in artificial intelligence computing is a major driver of demand for services from its datacentre business, CDC, with demand expected to double again by 2028.

Scott Technology said takeover offers made to it had been rejected as they undervalued the company.

Serko posted \$36.3m of income in 1H24, up from \$19m on the previous comparable period. Guidance for FY24 was raised from \$63m-to-\$70m. Ebitdaf improved 96% to an \$800,000 loss.

PaySauce posted a maiden positive ebitda of \$255,000 on revenue of \$3.6m.

Property

Goodman Property Trust reported a \$226.5m downward revaluation on its portfolio, creating a \$153.4m in 1H24.

Argosy Property sold an East Tamaki property for \$38m, 7.3% above March 2023 book value.

PMG Funds is seeking \$10m-\$20m to boost its Direct Office Fund citing a low point in the property market.

Corporate actions

Ebos abandoned a widely leaked plan to acquire Australian pet services company **Greencross**, the \$4b price tag being reportedly higher than institutional investors were willing to back.

Sara Lee owes its creditors at least A\$87m (NZ\$94m), with its administrators expecting to complete a sale by early next year.

TradeWindow raised \$500,000 of new capital to secure terms with its bankers for new lending arrangements.

Winton Land's existing shareholders, **Wanaka Partners** and **TC Akarua 2 Pty Ltd**, agreed Wanaka Partners will sell 14,830,687 Winton shares to **Akarua**.

People

Christchurch city council chief executive **Dawn Baxendale** will leave her role at the end of the month, almost a year before her contract expires. ■

