

Year of fractious Treaty debate begins at Waitangi

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Waitangi Day 2024 will be remembered for the size and breadth of Māori pushback at the new government's agenda. Yet the formal proceedings remained peaceful, with Māori anger channeled through highly performative traditional challenges and oratory. Even though the Treaty Principles Bill will not advance past select committee, the government's packed agenda of Māori policy risks soaking up political capital and focus from other policy priorities this year.

Where to for the Treaty Principles bill?

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Christopher Luxon has confirmed Act's Treaty Principles Bill will be dead on arrival whenever it lands in Parliament this year, becoming increasingly firm in his language about National not supporting it further than select committee. Act may hope to keep the bill alive for longer than that, calculating that continued debate on the bill will be to its benefit.

A defence Budget?

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The government has accelerated Labour's embrace of NZ's traditional security partners, with a '2+2' meeting of Australasian defence and foreign ministers last week occurring against a backdrop of Budget bids. There is a desire – pushed by NZ First but supported by the other coalition partners – to “surprise” Australia with a strong, early commitment to increase defence spending and create a “seamless” Australasian defence force. China has signalled its displeasure.

NZ First Minister in trouble as Parliament returns

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The Opposition continues to press for Associate Health Minister Casey Costello to be sacked over her responses to questions about the government's tobacco policy, but she will survive. The government faces a busy four week sitting block as it ticks off the last items on its 100-day plan.

Unemployment surprise

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Surprisingly strong labour market statistics suggest the Reserve Bank is likely to remain hawkish in its February Monetary Policy Statement, due on Feb 28. Unemployment came in at 4% in the final quarter of 2023, up from 3.9% in September, slightly lower than RBNZ forecasts.

Electricity Authority mulls consumer reforms

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The electricity sector grapples with a proposal from the Electricity Authority to require electricity retailers to be forced to tell households the best pricing plan for them. Meanwhile Shane Jones contemplates Crown guarantees for the oil and gas sector to restore confidence.

Parliament to sit for a month as clock ticks on 100-day plan

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Parliament returns for a rare four week sitting block next Tuesday as the government gets serious about pushing through its 100-day plan. The deadline for ticking off all 49 objectives in the plan is March 8.

Waitangi woes a signal of a fractious year ahead

Senior government ministers received a mixed reception at Waitangi Day events with many Māori unhappy over proposed legislation on treaty principles as defined by the Act party and raft of other coalition policies relating to Māori. PM Christopher Luxon reiterated that National had no intention of supporting the bill after its consideration by select committee. The more David Seymour talks about the bill, the more Luxon is inclined to harden his position against it.

Luxon's approach to the bill, and to surviving Waitangi, seemed to amount to letting Act and NZ First soak up Māori anger while saying as little as possible himself. He overplayed that by reheating chunks of last year's Waitangi Day speech. But compared to his coalition partners, he did nothing active to stoke the already heated atmosphere.

Waitangi threw two questions for the government into sharp relief. The first is electoral: will the net effect of the disruption make it more or less popular? The second is whether a tortured relationship with Māori will impact on its ability to govern.

The first question is possibly the easiest to answer. Curia polling from last September showed the public strongly supports Act's proposal, with 60% saying they would vote "yes" if Act's draft principles were put to them in a referendum. Just 18% were opposed to the idea.

However, the government's wider Māori policy agenda is significant and will consume a lot of political bandwidth, particularly this year with the repeal of the Māori Health Authority, Three Waters reforms, and Māori wards, reforms to the Waitangi Tribunal, and NZ First's push to review Treaty references in all legislation. Luxon is clearly wary of the next 12 months feeling like an assault on Māori. It will be a major test of his nascent political skills to manage this. NZ First senses opportunity to broker a middle way to a new Crown/Māori relationship that taps into the electoral appetite for some windback while being less radical than Act. Shane Jones fancies himself in this broking role, which he may also see as his pathway to replacing Winston Peters as NZ First leader. However, there are a lot of "ifs".

National hopes it can put these issues to bed this year and return to Waitangi in 2025 with a more positive, future-focused message, and that they will be a distant memory by 2026.

What the government is unlikely to have anticipated is the unifying effect of its agenda on iwi. It is remarkable to see Ngapuhi, Ngati Whatua Orakei,

Tainui and the Kingitanga acting in unison.

The Iwi Chairs Forum, a group of iwi leaders who were so friendly to the last National government they copped an earful from urban Māori leaders, gave the current administration a stern talking to. However, the forum is also angling to regain the influence it lost during the six years of Labour-led governments.

Ministers don't think Māori are as united as they appear, and point to a handful of incidents at Waitangi, which showed more senior members of Ngapuhi and other iwi quietly frustrated with the attention-seeking antics of the likes of Hone Harawira and Tame Iti.

After an early misstep, National's Tama Potaka was well-received at Waitangi. The first term MP and first-time Cabinet Minister has a huge job to do for National in a portfolio that has been a political graveyard for many a minister before him.

Treaty Principles Bill a dead horse Act is happy to flog

National was never going to back Act's Treaty Principles Bill beyond select committee, which is as far as its coalition agreement obliges it to go.

However, Act is floating the idea that National may not vote the bill down but leave it in limbo after the hearings. The House can drop the bill so far down the Order Paper that it is never brought up for a second reading. The Kermadec Ocean Sanctuary Bill, for example, returned from select committee in July 2016, and has languished without a second reading debate since then.

This option might benefit Act by turning the 2026 election into something of a de facto referendum on the bill.

However, this gambit is unlikely to have appeal for either National or NZ First, who want the bill gone from political discourse, even if there is a surge of support for the bill in the select committee hearings.

Act knows it is onto a popular issue, particularly among National voters, 66% of whom back the bill, compared to just 15% who oppose it, according to a Curia poll.

Unity on beefed-up defence force

Foreign Minister Winston Peters and Defence Minister Judith Collins went to Melbourne last week with a message intended to jolt Australian perceptions of NZ as an unwilling and tight-fisted defence partner.

The 2+2 ANZMIN meeting, attended by Peters's counterpart Penny Wong and Australian Defence

Minister Richard Marles, signalled a major shift in NZ defence policy.

The meeting is to become an annual fixture between the countries' foreign and defence ministers and echoes the AUSMIN format between Australia and the United States.

While there was discussion of NZ's interest in the so-called 'pillar two' of the Aukus pact, the real meat in last week's discussions was how to best increase interoperability between the Australian and NZ defence forces.

NZ faces a range of capital investments to upgrade equipment across all three forces, while Australia faces budget constraints across its military because of the huge and long term cost of the Aukus nuclear submarine project.

Meanwhile, NZ First is effectively rekindling what it regards as unfinished business from its three years in the 2017-20 Ardern-led government when Ron Mark, as Defence Minister, drove the acquisition of the multi-billion dollar P-8A Poseidon surveillance aircraft.

The focus now is particularly on naval projection into NZ's enormous EEZ and Antarctic waters, with large, long-mission drones in the mix.

How much of an equipment acquisition plan the government might be ready to announce by the Budget is unclear. Discussions with the ADF will be important, and the fiscal position will be a near-term constraint.

However, it appears that NZ First is driving hard for a material improvement in pay and conditions for NZDF personnel as a key first step, to be delivered in the Budget in May.

National appears to agree that the hollowing out of the armed services, which is compromising the ability to fly planes, put ships to sea and to field a land force, is a threat to NZ's national interests and security. It will need to be addressed.

However, with most government agencies making big cuts and the pressure on infrastructure, health, education, justice and other budgets, it will be a challenge for the Finance Minister, Nicola Willis, to find the necessary funds.

The government appears, however, to be banking on public acknowledgement that the world has become a more dangerous place in the last decade and that NZ needs to be better defended. It has some cover from the last Labour government's embrace of this logic, although Labour in Opposition is flirting with a backtrack on that stance.

Involvement in Aukus pillar 2, still poorly defined, is a medium term possibility and discussions with

Australian counterparts will warm up on this over coming months. However, it is not the main game and will not be for some time, in part because pillar 2 requires US focus, which is lacking as in a presidential election year.

Collins sees opportunity in pillar 2 for NZ's space industry, for which she is responsible as minister.

One remarkable aspect of this defence policy shift is that it appears nowhere in the coalition agreements or in the government's 100-Day Plan, yet has early momentum that is going comparatively unnoticed because of the focus on domestic and Māori issues.

Act and NZ First campaigned on raising NZ's defence spending to 2% of GDP, and National appears to be going along with that.

An even faster track

The government intends to fast-track legislation in March for consenting under the RMA and other legislation. Responding to concerns raised that the existing fast track legislation provides too much leeway for panels to decline consents, the new proposal gives ministers the ability to effectively grant consents themselves.

The expert panels in the current system will continue to exist, but they can only apply conditions to a consent, they can only decline a consent in rare conditions.

Under the new system, ministers will decide certain projects with local, regional and national economic significance would be referred to an expert panel with limits on those entitled to submit and limited grounds for declining the consent, but able to require conditions. The bill will include a list of projects that will be fast-tracked.

Environmental groups are unhappy with the proposal, which they fear will politicise both environmental and infrastructure decision-making.

Usage charges popular

A Kantar Public survey for the Infrastructure Commission found 74% support for usage charges for electricity, 72% for water and 34% for roads. For roads, this was still higher support than the other ways of paying for roads presented in the survey.

Bayly's big idea

Commerce and Consumer Affairs minister Andrew Bayly outlined plans for financial sector regulatory

It's Swarbrick

Green party co-leader James Shaw will resign from his role as Green party co-leader next month, but will remain as an MP to try and pass a members bill.

The only declared candidate is the party's Auckland Central MP, Chlöe Swarbrick.

The lack of competing candidates means the prize is hers.

reform saying greater cohesion and clarity was necessary. He proposed consolidating responsibility for financial markets conduct with the RBNZ as the prudential regulator and the FMA as the conduct regulator.

Responsibility for the Credit Contracts and Consumer Finance Act would be transferred from the Commerce Commission to the FMA. He suggested the FMA could issue a single licence for financial institutions.

The Financial Markets (Conduct of Institutions) Amendment Act 2022, commonly known as CoFi would be reviewed quickly to reinforce that the responsibility for determining an appropriate fair conduct programme for their specific business lies with the applicant. It is also expecting the FMA to issue clear guidance for smaller institutions to meet minimum conduct requirements.

However, Bayly's intention to repeal the CoFi regime, a surprise announcement during the election campaign, has been quietly shelved.

A more substantive review of the CCCFA would look at the penalty and disclosure regime and its relationship with CoFi.

Longer term work included reform of the Companies Act, which he said was out of date, and a look at insurance contract law, so insurers and policyholders have greater certainty.

BIMs released

Briefings to incoming ministers (BIMs) for all government agencies have been published.

A ministerial briefing to the tourism minister disclosed the Ministry of Business, Innovation and Employment's budget in the area will drop from \$253.2m to \$173.7m in 2024/25 following the closure of the regional events and tourism infrastructure funds and tourism facilities grants. Tourism NZ's annual budget of \$111.5m will be cut to under \$97m from 2026.

In a briefing to the incoming minister of space, Judith Collins, MBIE said it does not have enough personnel to examine space launch licences applications properly.

A briefing to incoming workplace relations minister Brooke van Velden said a crown observer had been appointed to WorkSafe to ensure intensive monitoring as it had failed to clearly articulate the cost and effectiveness of its activities.

Minimum wage rise

The government announced the minimum wage will

increase by 2% or 45 cents an hour, to \$23.15, from April 1. Papers indicated officials favoured a 4% rise and the responsible minister Brooke van Velden wanted a rise of less than 2%.

PIEs attractive as trust rate rises

Brokers, lawyers and accountants told a select committee that high-income taxpayers are looking to switch their trust arrangements to Performance Investment Entities to avoid the new 39% trust tax rate. One of the consequences of this will be less direct investment in companies.

NZ third least corrupt nation

NZ was rated the third-least-corrupt country out of 180 surveyed by Transparency International in its 2023 Corruption Perception Index. NZ's score of 85 is two points lower than its second-equal placing with Finland behind Denmark in the 2022 index, and six points lower than its 2015 score.

Clock ticks on 100-day plan

National will be glad that next Tuesday begins a very rare four week sitting block, which will be jam-packed with things that might shift the conversation from Waitangi.


The additional week will help the government ram through the remaining parts of its hundred day plan, the deadline for which is the first week of March, meaning the next four weeks are the only sitting weeks left to do so. Expect plenty of urgency, extended sitting, some tired MPs, not to mention a Parliamentary Counsel Office working overtime to produce draft legislation.

The Beehive is anxious to complete the plan, with Ministers' offices directing all resource to ticking off each one of its 49 objectives.

Casey Costello under pressure

The MP in charge of tobacco policy proposals is first term, Casey Costello. She's come under fire for requesting advice on freezing inflation adjustments for tobacco excise and then saying she didn't. Costello did not act on the advice and Cabinet agreed late last year to hike excise.

Costello's links to the Taxpayers' Union, which has accepted donations from tobacco companies, has created great fodder for the Opposition, with third-ranked minister Chris Bishop's ill-judged decision to work as a tobacco industry lobbyist coming back to haunt him.

Labour called for Costello to be sacked, but she is likely to hold on. There is no appetite to antagonise NZ First so early in the life of the new government. 

RBNZ likely to stay hawkish after unemployment surprise

Unemployment rose to 4% in the final quarter of 2023, up from 3.9% in September, according to Stats NZ. This was below economist and the central bank projections that unemployment would reach between 4.2% and 4.3%.

BNZ reckons this makes it highly unlikely the Reserve Bank will adopt a stance at its February 28 MPS that is any less hawkish than November's.

Annual wage inflation – as measured by the Labour Cost Index – dipped slightly but outpaced forecasts, rising 4.3% year-on-year.

The risk of an OCR increase at the Feb MPS is still low, but has increased somewhat.

The **Reserve Bank's chief economist Paul Conway** dampened expectations of interest rate cuts any time soon. He said the surprise 0.3% economic contraction in the Sept quarter did not necessarily mean demand had been significantly reduced, and that non-tradable inflation remained high. The speech was delivered before the labour market statistics were published.

Housing indicators

Home consents worth \$1.1b were granted in December with the 2,487 consents in the month taking the annual total to 37,239, down a quarter on the record 49,538 granted in 2022.

The Ministry of Housing and Urban Development warned consents could fall further to around 32,000 in 2024, which would be the lowest yearly total since 2018. Recent indicators and sector feedback suggest the construction sector is heading for a hard landing, with construction activity dropping around 20% below sector capacity at a national level.

There were 33,843 residential home transfers during the final quarter of last year, up 7% year-on-year. Overall annual home transfers were 118,608, down 8% on the prior year.

Auckland **residential rents** charged by owners of properties managed by Barfoot & Thompson rose 5.2% in the last year to hit a new high of \$662/week.

Economic indicators

NZ's 2023 annual **trade deficit** was \$13.6b versus \$14.6b in the prior year. Exports were \$68.7b, down \$3.3b or 4.5% on the prior year. Imports were \$82.3b, down \$4.3b or 5%. Stats NZ said the fall in exports for the second half of 2023, when compared with 2022, were led by unit price falls for most main export commodities.

Electronic payments through Worldline showed consumer spending (excluding hospitality) was \$3.07b in Jan, up 3.9% year on year – a modest increase considering inflation, population growth and trading disruptions in Jan 2023. Hospitality spending fell 1.4% from last Jan to \$1.02b.

Household living costs rose 7% in the 12 months to the Dec 2023. This outpaced inflation as the data uses different ongoing costs that aren't included in the CPI, such as interest payments, which increased by 31% for the average household over the past 12 months. Private transport supplies and services (such as petrol) increased 9% and rent 5.1%.

The **Global Dairy Trade** auction index price rose 4.2% to an average of US\$ 3,571 (NZ\$5,874) – the largest increase since October last year.

Credit agency Centrix said **past due accounts** rose by 4,000 during December to 439,000. Mortgage accounts classed as past due rose by 20,800 or 1.4% of all accounts.

US and Australian sharemarket indices reached new highs as data indicated lower inflation than expected across the Tasman and US job data showed much stronger growth than forecast. The **US Federal Reserve** held interest rates at a 23-year high keeping the benchmark federal funds target between 5.25% and 5.5% with the news that the US economy added 353,000 jobs in January, almost twice as many as forecast, a further indicator that US interest rates will stay at elevated levels in the near term.

The **ANZ Business Outlook** said business confidence rose 4 points to +37 in January, while expected own activity fell 3 points to +26. Inflation expectations stepped lower to 4.3%. The proportion of retailers expecting higher costs in the next 3 months rose from 72% to 76% in January. Expected cost growth was 3.4% (unchanged) while expected price growth was 2.1%.

A **sales team survey** by consultancy Indicator said 68% of respondents were setting growth targets, compared to 63% last year. Most were aiming for single-figure growth, which suggested expectations were still subdued. In 2023, 54% of teams achieved their growth target.

Preliminary **vehicle sales** figures for Jan said 12,649 units sold, 1.3% higher than Jan 2023 (12,481 units) but 6.2% lower than Jan 2022 (13,479 units). 96.2% (12,173 units) were petrol and diesel vehicles. New registrations of battery electric vehicles were 272 for January, a drop of nearly 80% compared to last January's 1,205 units. Plug-in hybrids also fell, down 59% from 493 to 202. The feebate scheme ended on Jan 1. 🇳🇿

CORPORATE ROUND-UP**Primary Sector**

Craigs Investment Partners expects a good level of growth for both ZGL Green and SunGold Kiwifruit in 2024 as the return of El Niño conditions resulted in good budburst, flowering, and strong fruit counts ahead of the harvest.

Sealord confirmed the completion of its purchase of **Independent Fisheries**, creating the country's biggest seafood business, following regulatory approvals.

Comvita revised its full-year revenue and earnings forecast due to weaker consumer sentiment in China, a customer change in the US, and a non-cash foreign exchange translation loss. Revenue for 1H24 is expected to be \$103m, down 8.1% compared to the same period last year. Unaudited ebitda for the first half is anticipated to be \$9.5m, a 32% decrease. Comvita now expects its full-year revenue to be in the range of \$225m to \$235m, lower than the previous guidance of \$245m to \$255m.

NZ scientists say the country's mānuka is a different species from the Australian version after several years of genetic studies into the plant raising hopes for the domestic honey industry after losing a bid to trademark "mānuka honey" in NZ.

Greenfern Industries received a medicinal cannabis product registration for its cannabis-based ingredient, GFI-04 and plans to export the first consignment of GFI-04 cannabis flower, pending the acquisition of a license to export a controlled drug.

Energy and resources

Electricity retailers may be forced to tell households the best pricing plan for them, under proposals put forward by the **Electricity Authority** as it said consumer care guidelines would become compulsory.

Resources minister Shane Jones is exploring whether government guarantees to the oil and gas sector would restore investor confidence. Clarifying liability for remediation costs is a particular focus after **OMV** sold its Malaysian assets but reported that it had yet to find a buyer for its interests in NZ after a year of looking. The previous government's new remediation regime is understood to have deterred some potential bidders.

Supply chain and workforce shortages mean planned investment boosts across the electricity sector, and all infrastructure, may not be achievable, says the **Commerce Commission**. The regulator said even if it approved a substantial increase in spending on the national electricity grid, it is not yet convinced Transpower could deliver the work.

Banking, finance and insurance

The **Bank of Queensland** is selling its \$238m NZ portfolio to non-bank lender **UDC Finance** at 91% of the book value.

The number of member transfers between **KiwiSaver** schemes fell to 131,260 over the 12 months to the end of March, down 16.8% on 2021, and the lowest number since 2013.

NZIER estimates say the insurance gap from the 2023 Auckland anniversary weekend floods and Cyclone Gabrielle is \$2.3b with about one-third of the assets damaged uninsured.

Telecommunications, media & entertainment

Accenture has appointed advertising executive **Justin Mowday** as its NZ managing director as the group looks to combine consultancy work with creative services.

Unite Union said more than 100 jobs are on the line at **One NZ** in an ongoing consultation process. CEO **Jason Paris** said a limited number of its 2,500 staff would leave the business. The union and telco remain at odds over a proposal for call centre staff (and many other teams) to work in the office three days a week – up from the previous two – and a push for a 10% pay rise.

Chorus said it would convert 10,000 homes from copper to fibre, down from 40,000, reducing anticipated spend by \$200m.

Wholesale and retail

Briscoe Group reported record full-year sales of \$792m, a 0.78% increase from the previous year. It expects its full-year net profit after tax to exceed \$83m, slightly down on last year.

Michael Hill was ordered to pay \$2.26m in damages, plus interest and costs, in a Supreme Court of New South Wales judgement on the supply of packaging brought by **Gispac**.

The administrators of **Godfreys'** local business moved quickly after their appointment, closing five stores immediately as they looked to sell the company, which operates in NZ and Australia.

Woolworths cut the value of its NZ supermarkets by \$1.6b to \$700m, blaming a "weaker medium-term outlook", higher interest rates and a lag time for new initiatives to bear fruit. Woolworths said it was also expecting a 42% decline in ebit to \$71m in the first half of the current financial year.

Chef **Al Brown** is embarking on the rollout of a nationwide bagel shop franchise, starting with selling his **Best Ugly Bagels** business in Auckland's

Commercial Bay precinct.

Wine exporter **Indevin** is to close the former **Villa Maria** bottling plant with 35 jobs affected. It will use **WineWorks** for its NZ bottling needs, having already decided to do bottling for the UK market in the UK.

Manufacturing and construction

The administrators of failed dessert maker **Sara Lee** accepted an offer to buy the company from **SLFC Investments** and **SLFC Brands** for A\$19.4m (NZ\$20.9m).

Steel & Tube expects its half-year financial results to show ebitda of approximately \$22m, and normalised ebit slightly above \$11m.

Fletcher Building made additional provision of \$165m for the **NZ International Convention Centre** and **Hobson Street Hotel** project due to higher levels of subcontractor resource required for the final stage of the project, and there is a possibility that a portion of the company's claims against the project's contract works insurance may not be recoverable. It said the NZICC project remains on track for completion in late 2024. Fletcher is also working on a remediation and settlement for the **Wellington International Airport Carpark** project, with a provision of \$15m. The share price tanked. FBU rejected Australian media reports it was considering a capital raise.

Courts, legal and regulation

The supreme court overturned lower courts and said activist **Mike Smith** could proceed with a case against **Fonterra**, **Genesis Energy**, **Dairy Holdings**, **NZ Steel**, **Z Energy**, **Channel Infrastructure** and **BT Mining**. He has argued that their attempts to reduce emissions are not in line with NZ's international commitments. Smith has made three claims under tort law seeking compensation for harm caused by a wrongful act. He sought remedy for public nuisance, negligence and the more novel claim of breach of duty of care through climate change.

SkyCity revised its provision for a potential **Austrac** civil penalty and associated legal costs from A\$4m (NZ\$49m) as at June 30 2023 to A\$73m (NZ\$79m) as at Dec 31 2023 after reaching an agreement with the regulator.

The **NZ Airports Association**, on behalf of the major airports will appeal for a merits review of the Commerce Commission's latest input methodologies settings.

The United Kingdom's competition watchdog is joining NZ's Commerce Commission in looking at **AlphaTheta's** proposed US\$65m (NZ\$105.9m) acquisition of **Serato** over monopoly concerns.

The **Environmental Protection Agency** has banned per- and polyfluoroalkyl substances (PFAs), often known as "forever chemicals", from cosmetics.

From Dec 31 2026, cosmetics containing PFAs can no longer be imported to or made in NZ. After a one-year grace on their sale and supply, they will be banned from Dec 31 2027.

Technology and IT

Gentrack, has invested \$12m in Australian technology firm **Amber** as part of a series-C funding round. The investment includes an agreement for Gentrack and Amber to collaborate on the development and global sale of household batteries, electric vehicle chargers, and other smart devices.

Service industries and healthcare

Third Age Health posted an unaudited net profit of \$446,000 for the third quarter ending Dec 31 2023, up 140.7% year-over-year and 39.7% from the prior quarter.

Transport and tourism

The government will abolish the **Auckland regional fuel tax**, prompting a barrage of criticism from the Auckland mayor, **Wayne Brown**.

A conditional agreement for the liquidator of **Ruapehu Alpine Lifts** to sell the Tūroa side of Mt Ruapehu to **Company Pure Tūroa** was cancelled.

Property

Dunedin City Council struck a \$13.2m deal to buy the 12-hectare Forbury Park in St Kilda from **Harness Racing NZ**.

InterContinental Auckland opened in the refurbished Deloitte Centre building at 1 Queen Street.

RNZ is selling a 7.4ha block in Henderson, near the Lincoln Rd off-ramp, with a rateable value of \$6m. The **Ministry of Housing and Urban Development** has expressed an interest in acquiring the land.

Corporate actions

Christchurch City Holdings has warned the businesses under its control that it will seek to sweat existing assets in an environment where the organisation is capital-constrained. Capital projects such as the **Tarras** airport or **Lyttelton port** expansion are particularly vulnerable. The capacity of businesses such as electricity network operator **Orion** to respond to demand growth is also likely to be problematic. CCHL had sought a more activist mandate for the \$5b portfolio of assets, but this was rejected by its owner, **Christchurch City Council**, before Christmas.

ASX-listed **Propel Funeral Partners** is buying **Southern Funeral Home** for about A\$4.6m. Southern Funeral Home operates from five South Island sites, including a crematorium, in Alexandra, Queenstown, Cromwell and Gore.

Morgan Asset Management and **Craigs Investment Partners** announced a strategic partnership with a multi-year memorandum of understanding.

Du Val Group wants to reformat Du Val Property Group by issuing 200m shares at \$2-a-share to convert \$94.4m of existing lenders' debt to equity. Interest payments to lenders have been frozen for some months.

It suggested this may lead to either an initial public offering or direct listing on the NZX. It values the Auckland property developer at \$400m.

MHM Automation shareholders voted in favour of a scheme of arrangement that will result in the acquisition of the company by **Merlin NZD Bidco**, a subsidiary of Bettcher Industries. If all conditions are met, shareholders are expected to be paid \$1.70 per share in March.

Capital markets

Central Otago gold explorer **Santana Minerals** is offering shareholders a one-for-five bonus option at \$1.08 per share, a 7.5% discount.

People

Manawa Energy announced the permanent appointment of **Clayton Delmarter** as chief executive. He has been interim CE since Sept 2023.

Insurer **nib NZ** appointed **Josephine Gagan** and **Sophie Haslem** as non-Executive Directors to the NZ arm's board. Gagan is chair of the **NZ Health Group**. Haslem is chair of **Kordia**.

Ventia appointed **Mark Fleming** chief financial officer.

Ngāi Tahu's chief executive of 12 years, **Arihia Bennett**, is to step down.

Serko appointed **Sean Gourley** as an independent non-executive director.

Kate Armstrong will take over from the current director **Kevin McDonald** who will retire from the **TSB** board at the end of Feb. ■

Parliament resumes

Parliament resumed on Jan 30 with MPs continuing the debate in reply to the Speech from the Throne which was then completed.

A large number of maiden speeches were completed. The House was adjourned this week and will resume on Tuesday Feb 13. The government has indicated it will use Urgency to progress multiple stages of the Water Services Acts Repeal Bill. Other legislation to be considered will include the Social Workers Registration Legislation Amendment Bill and the NZ Superannuation and Retirement Income (Controlling Interests) Amendment Bill.

Wednesday is scheduled to be a members' day.

- *Italics denote update from previous edition of Hugovision*
- *A full compendium of the legislation before the House is available on The Hugo Group website, www.thehugogroup.com*

Bills introduced

Corrections (Victim Protection) Amendment Bill - Member's bill in the name of National's Rima Nakhle drawn from the ballot on Feb 1. The bill would create an obligation on Correction's chief executive and prison managers to protect those who are subject to a protection order and victims of crime from unwanted contact from prisoners.

European Union Free Trade Agreement Legislation Amendment Bill - Introduced on Jan 25. Amends law as part of the implementation of the trade agreement between NZ and the European Union, signed in July 2023. First reading on Jan 31 with no parties opposed. Referred to the foreign affairs, defence and trade committee to be reported back by April 4 in order to complete ratification of the agreement.

NZ Productivity Commission Act Repeal Bill - Introduced on Jan 25. Repeals the NZ Productivity Commission Act 2010 and disestablishes the NZ Productivity Commission. It is intended that the \$6m saved will go towards setting up a Ministry of Regulation. First and second reading completed under Urgency on Jan 30 supported by National, Act and NZ First. Committee stage on Jan 31 and third reading on Feb 1. No change in parties' positions.

Bills in progress

Social Workers Registration Legislation Amendment Bill - Introduced on April 13. Delays the repeal of an alternative 'experience' pathway to registration for a further 4 years to Feb 2028. Second reading on Feb 1 with all parties in support and National indicating the bill would be amended in committee stage with a move to 2 years. ■

