

## Grasping the nettle on RMA reform

Page 2

David Parker has given himself less than a year to come up with a fundamental reform programme for the RMA. That looks overly ambitious, although that timetable may assist momentum in a process that risks reviving the stale 'environment vs economy' dichotomy.

## The political dangers in the Ihumatao protest

Page 2

Depending on who is speaking, the Ihumatao stonefield development protest is this generation's Bastion Point or a disingenuous exploitation of the 1970s confiscated land protest that helped create the Treaty settlement process. The settlement process has already been applied for the iwi involved at Ihumatao. The govt is not keen to act, while the Greens are in boots and all in support. That is a headache for an increasingly isolated James Shaw.

## Nats need a reason to act on Bridges

Page 3

UMR polling showing Simon Bridges failing to connect with the NZ public, Kiwi accent or not, undermines him just as the party heads into its pre-election year national conference this weekend. Colmar Brunton is thought to be in the field for OneNews this week, suggesting another poll will be released during the conference.

## Green hydrogen and power prices

Page 4

The govt could release its green hydrogen strategy at any time, but is waiting for an opportune moment for political effect. The final outcomes of the Electricity Price Review are now scheduled for the second half of August. There are stirrings among major electricity users who would like to see more new generation. They are facing some of the highest wholesale prices for medium to long term electricity this decade.

## A neutral public service clips research wings

Page 5

The SSC has warned govt agencies not to ask questions in opinion polling about political leanings, even if they believe such data would yield valuable insights for communications purposes. That is something external contractors to govt agencies will need to bear in mind too.

## Skittish reactions to resilience thinking

Page 6

The NZ dollar took a dip on Tuesday after Bloomberg reported the results of an Official Information Act request showing the Reserve Bank is thinking about what would happen if interest rates got so low it had to contemplate quantitative easing.

## CEO Retreat - filling up

There are just a couple of places left for the CEO Retreat, Thursday Aug 15 to Saturday Aug 17, at Millbrook. This year's programme is particularly strong on the challenges emerging in a global dependence on digital technology. This is an intellectually stimulating and enjoyable opportunity for CEOs and their partners. Email [tracey.gabbittas@thehugogroup.com](mailto:tracey.gabbittas@thehugogroup.com) to register.

## RMA reform - a new dawn or reopening old wounds?

David Parker has set both a **task and a timetable of Herculean proportions** as he commits the govt to a fundamental review of the RMA.

Nodding variously to the input of the Environmental Defence Society, Infrastructure NZ, and the Northern Employers and Manufacturers Association, the initiative starts on neutral ground but risks swiftly devolving into well-worn and intractable arguments pitting environmental bottom-lines against private property development rights and the need for better urban planning.

Creating a **legislative framework that entrenches the role of spatial planning is a welcome, overdue step**. A key issue will be whether Parker opts to try for a **separate overarching piece of legislation that enshrines the Part 2 principles** of the RMA as supreme over all resource, environmental, local

govt, climate change and transport statutes will be a key question for the five person Expert Advisory Group to be led by retired Appeal Court Judge Tony Randerson.

However, whether the EAG can really land major recommendations with partially drafted legislation by mid-2020 must be an open question.

Parker was very clear that any reform legislation would be a second term agenda item.

### Ihumatao - it's no Bastion Point

The **govt is extremely reluctant to intervene in the stand-off between Maori activists opposing the Fletchers housing development at Ihumatao**, by the Auckland airport. The iwi that negotiated for preservation works and a return of land with Fletcher Building, Te Kawerau ā Maki, signed a Deed of Settlement with the Crown in February 2014.

While the historic grievance of land confiscation remains, the settlement

process is the recognised process for redress and the iwi trust's negotiations have successfully built on that.

To allow the protest to succeed would be to risk a cascade of similar protests seeking to relitigate settlements with the Crown and create fear

among other property owners that they could lose their current property rights. That is **politically unsustainable and against the long-held principle that a Treaty settlement shouldn't create a new wrong**.

However, that doesn't mean the issue isn't becoming a **huge political headache**. The protest is resonating nationally. A Wellington protest briefly stopped traffic in the CBD this week. Dramatic footage the stand-off with police is stoking a growing army of supporters for Ihumatao's 'return'.

Fletchers and the Kawerau trust have called in PR advisers as the protest shakes out a growing range of influential allies, including the Green Party, the CTU's Maori affiliates, and even one of the leaders of the 1970s Bastion Point occupation, Joe Hawke.

Yet **this is no Bastion Point, where a protest about the return of confiscated land became a catalyst for the Treaty settlement process, which iwi claiming links to Ihumatao have already been through**. It is only like Bastion Point in that it is a Maori land protest.

Short of Fletcher bowing out - it's offered to sell the land if it receives 'serious' offers - it's difficult to see how the issue is resolved. The courts have ruled the sale to Fletchers was legal and the local trust wants to proceed with home-building, which Auckland needs.

**The issue is dangerous for the govt's relations with Maori**, especially because refusal to act on Ihumatao will be equated by some as proof of the same 'politics as usual' as has seen ministers unwilling to throw Oranga Tamariki staff under a bus following Newsroom's story on Maori baby uplifts.

**It is potentially even more dangerous for both the Greens and their co-leader James Shaw**, whose support for fellow leader Marama Davidson's campaign on Ihumatao is less than enthusiastic behind closed doors.

Shaw is already labelled a 'Judas' by parts of the party who believe the Greens under Shaw have compromised too much to support the govt.

**The party is in danger of forgetting or is uninterested in the lessons from nearly crashing out of Parliament in 2017 because of the politically naive positioning of then co-leader Metiria Turei**.

In the end, perhaps the lesson is that this is **another flawed aspect of the failed Special Housing Areas policy** of the previous govt. The SHA provisions reduce consultation rights and are provoking a very similar dispute between Maori owners at Wellington's Shelly Bay, ably abetted by local, non-Maori interests with other agendas.

Calling in the police may also prove to have been

### Hacks on planes

There were some grumpy Press Gallery journalists after the breakdown of the RNZAF-757 that was to take them home from the PM's trip to Melbourne last week. They faced the high cost of booking last minute commercial flights.

With no replacement in sight for the increasingly unreliable 757s, the tradition of large media contingents on PMs' international trips may be compromised.

If the govt chose to charter commercial aircraft instead, the sweetheart fares offered by the Defence Force might disappear forever.

Fares to Australia on the PM's plane were just \$50 each way. These cozy long-standing arrangements have always had a mutual benefit, ensuring the PM can take a media contingent with her on important overseas trips at a cost increasingly cash-strapped publishers can bear.

a mis-step. It has galvanised a new cohort of opponents and given the issue media oxygen when the most likely way for the protest to end is either by waiting the protesters out - to be fair, they've been there continuously since 2016 so it could be a long wait - or come up with a deal that allows them to depart with dignity intact but the housing project able to proceed.

### Poll leak destabilises Bridges ahead of annual party shindig

The leak to Newshub of UMR polling showing Simon Bridges failing to connect with voters, with high unfavourability ratings and National dipping below 40% support at times this year, is hardly the platform Bridges wanted as he approaches this weekend's annual party conference in Christchurch.

The two biggest questions facing the party - his leadership and the absence of a coalition partners - are not formally on the agenda. But they will be the primary topics of informal conversation. By the time the party meets again at the national level, the 2020 election campaign will be just weeks away.

A OneNews Colmar-Brunton poll appears likely to be released over the weekend, creating a further source of risk for Bridges. The polling agency has been in the field over the past week, which probably explains why both Judith Collins and Todd Muller have been active. Muller's initial support for the govt's freebate EV scheme on "The Nation" last Saturday was a direct challenge to Bridges. Muller moderated his line in an appearance on "Q+A" on Monday after what was apparently a tough call from the leader.

Recent UMR polling shows Collins is strongly favoured by National voters but that she is fundamentally polarising to the rest of the electorate.

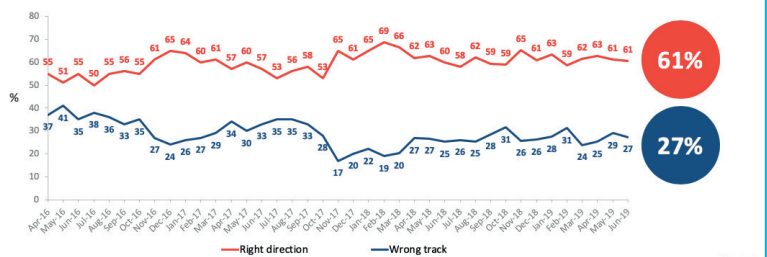
Muller, on the other hand, has shown little of the necessary ambition or parliamentary performance after five years as an MP to suggest he could muster a caucus majority any time soon. So, even if the party hierarchy fears a prolonged contest, the dynamics for a leadership spill are problematic.

Some aspirants will consider it better to wait either for poor pre-election polling or an election defeat in 2020 before moving, with the recent example of Jacinda Ardern showing how a late change can galvanise a party before an election. One school of thought suggests Ardern will be 'found out' as a lightweight before polling day, unmasking further a Cabinet of middling talents.

That assumes, however, that any of the National contenders have the charismatic potential of Ardern.

### The mood

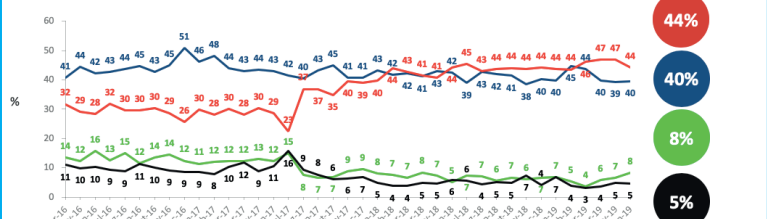
Generally speaking are things in New Zealand heading in the right direction or are they off on the wrong track?



Base: all (n=600) UMR

### The vote – monthly tracking

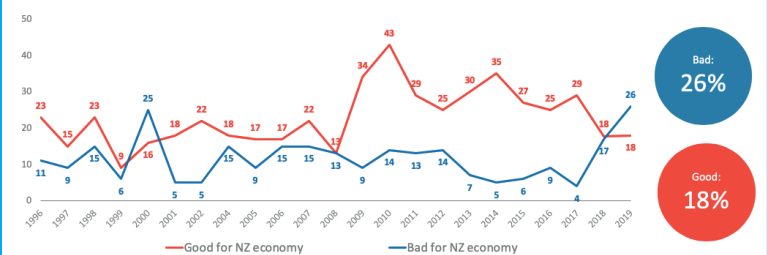
Thinking about your party vote only, if the general election were held today which party would you vote for?



Base: all voters UMR

### 2019 budget – good or bad for NZ economy?

Do you think the Budget will be good for the New Zealand economy, bad for the New Zealand economy or not make much difference?

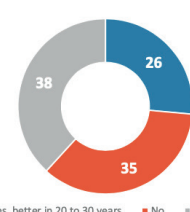
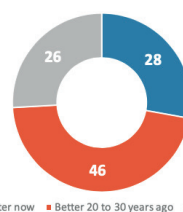


Base: all (n=600); telephone UMR

### NZ better in the past, present or future

Do you think New Zealand now is a better place to live in that it was 20 to 30 years ago?

Do you think New Zealand will be a better place to live in 20 to 30 years time than it is now?



Base: all (n=1000), May 2019 UMR



Collins is an impact player, but hardly a uniting figure, while Muller is more earnest than exciting.

Meanwhile, NZ First is playing its usual careful game of keeping its options open and has reportedly been making low-key overtures to National MPs like Todd McClay. Third parties have been suggesting that the time could soon be right for the two parties to start talking.

The prevailing view, however, within National is that as long as Peters leads NZFirst, they cannot be trusted and that the party would be better off strategically to rule them out of contention as a part of any future National-led govt.

Given that Peters shows no sign of retiring at the next election, any NZ First/National rapprochement may well be a 2023 election project.

Equally, any fantasies about the Greens and National finding common cause can be dispelled.

**The Greens believe National will ape the populist campaigns of the US and UK, in 2020.** The highly personal attack ad the Greens released this week and then hastily withdrew because it mocked Simon Bridges's accent, makes the point. The Greens will not say who made the ad, which was effective if watched without the sound on - the way 90% of such content is viewed in social media feeds.

## 'Green' hydrogen strategy close to release

A material downward step in prevailing wholesale prices from renewables would not only be welcomed by a govt seeking to relieve energy poverty, but could also be fundamental to Energy Minister Megan Woods producing a credible plan to grow the role of 'green hydrogen' in the NZ economy.

MBIE's green hydrogen strategy paper, slated for release in the first half of this year, has been completed and accepted by Minister Woods.

She is now looking for an appropriate slot in the

govt's political calendar to release it.

Hydrogen requires electricity for its production and, at present, so-called 'green' hydrogen made from renewable electricity sources is out of the money versus hydrogen manufactured from coal and gas-fired electricity generation.

The govt has shown little enthusiasm to date for so-called 'blue' hydrogen schemes such as the gas-based 8 Rivers/Pouakai proposal in Taranaki, but the economics of green hydrogen needs to show sustainable improvement if it's to be a credible opportunity.

Refining NZ has recently announced construction of a 26MW solar power project on land in the buffer zone by the Marsden Pt refinery. This is the first tranche in what could eventually become the country's largest green hydrogen project. The refinery already produces and uses more hydrogen than any other NZ industrial process.

## 5G collaboration

If Chorus was hoping that new Spark CEO Jolie Hodson might be more amenable to a shared 5G network build, it may be in for disappointment.

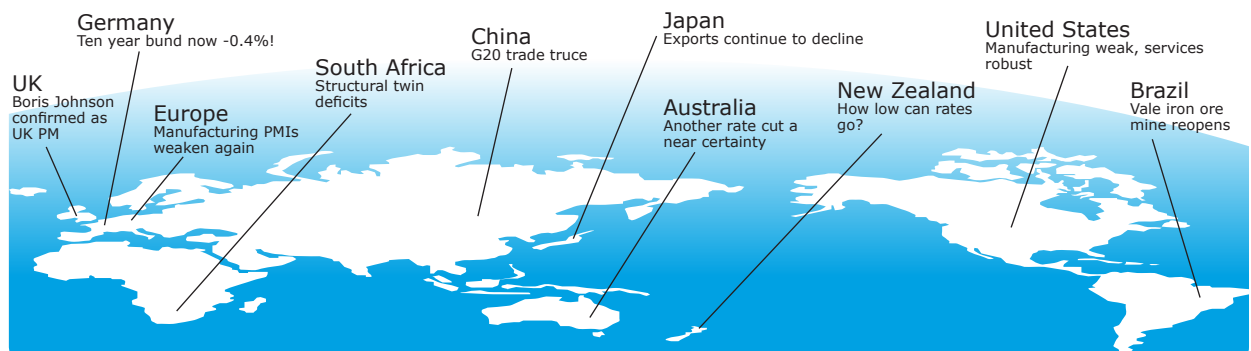
The signs from within Spark are that the company is willing to take a shared approach to infrastructure build where it makes sense, but has no appetite for a UFB-style regulated monopoly rollout.

Spark is more enamoured of the Rural Connectivity Group model, where Spark, Vodafone and 2Degrees invest to plug any gaps in rural network coverage without overbuilding one another unnecessarily.

Chorus continues to take an interest in how it could encourage either a joint approach or become a %G player without such an agreement, potentially by bidding for the networks assets of 2Degrees, whose US owners may not have appetite for the 5G investment budget.

## Transmission pricing - this time?

### The world at a glance



The Electricity Authority released its latest attempt to reform transmission pricing methodology with a formula like that proposed in 2016, though with less extreme gains and losses. A benefit charge will remain for future work, but will cover fewer existing transmission assets. A price increase cap will apply, but the change will increase costs for many large industrial power users in the North Island and generally reduce costs for South Island generators and lines companies in the lower South Island and lower North Island.

## Climate Change Commission nominations

Climate Change Minister James Shaw is seeking nominations for the permanent Climate Change Commission by July 28.

He is encouraging all audiences he is currently briefing to consider nominations. A total of seven commissioners are sought from a range of disciplines. The commission's primary task will be to independently set and review five yearly carbon budgets to assist NZ to meet its international obligations under the 2015 Paris agreement.

## WorkSafe revamp

WorkSafe is starting to work on a range of new areas including work related harm, mental health and hazardous substances (including carcinogens) under plans unveiled last week.

The intention is to improve the use of data, intelligence and insights for predictive modelling and

to allow regulations and initiatives to be "targeted, aligned and flexible".

WorkSafe is being funded to: hire specialist and additional staff for priority area work; publish new educational materials, guidance and digital tools; increase business and workforce engagement with a larger staff; **add to its assessment, investigation and enforcement resources**; and address cost pressures.

## Public service neutrality

The SSC has made clear to public service CEOs that they cannot include questions about political leanings in any polling or research that they commission.

IRD, DoC and Stats NZ all fell foul of that requirement, although deputy state services commissioner David Ombler found they were motivated only by a desire for rigor.

DoC's is an interesting case: it sought political affiliation information in polling to try and better understand public attitudes to pest control - for which, read: attitudes to the use of 1080.

Ombler expressed "disappointment" that the agencies didn't identify or seek to address the risk of perceived political bias.

He reminded public sector ceos that the same rules apply to contractors working on behalf of govt agencies. This could have **implications for the way PR and communications providers approach their strategic and research work on behalf of govt agency clients**.

"You cannot contract out the code of conduct." 🗣️

## Trading partner growth

(2017-2018 actual; 2019-2021 Hugo and Consensus Forecasts)

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
China	29.1	6.8	6.6	6.2	6.0	5.8	1.6	2.1	2.3	2.3	2.4
Australia	19.1	2.4	2.8	2.0	2.5	2.6	1.9	1.9	1.6	2.0	2.4
United States	11.5	2.2	2.9	2.5	1.9	1.8	2.1	2.4	1.9	2.1	2.3
Japan	7.3	1.9	0.8	0.7	0.3	0.7	0.5	1.0	0.6	0.8	0.8
Eurozone	6.5	2.5	1.9	1.1	1.2	1.2	1.5	1.7	1.3	1.4	1.6
South Korea	3.6	3.1	2.7	2.0	2.3	2.5	1.9	1.5	0.8	1.5	2.0
United Kingdom	3.2	1.8	1.4	1.3	1.3	1.6	2.7	2.4	1.9	2.0	2.1
Singapore	2.7	3.9	3.1	1.8	2.1	2.5	0.6	0.4	0.8	1.2	1.6
Hong Kong	2.4	3.8	3.0	2.0	2.1	2.4	1.5	2.4	2.3	2.3	2.3
Taiwan	2.5	3.1	2.6	1.9	1.9	2.1	0.6	1.4	0.8	1.1	1.4
Malaysia	2.1	5.9	4.7	4.4	4.4	4.7	3.8	1.0	0.9	2.0	2.5
Indonesia	2.1	5.1	5.2	5.0	5.1	5.1	3.8	3.2	3.1	3.5	3.6
Thailand	1.9	4.0	4.1	3.2	3.3	3.4	0.7	1.1	1.0	1.2	1.4
Philippines	1.6	6.7	6.2	5.9	6.1	5.8	2.9	5.2	2.9	3.2	3.6
Vietnam	1.5	6.8	7.1	6.6	6.4	6.2	3.5	3.5	2.9	3.7	3.8
India	1.5	7.2	6.8	6.9	7.1	7.4	3.6	3.4	3.8	4.3	4.6
Canada	1.5	3.0	1.9	1.4	1.7	1.7	1.6	2.3	1.9	2.0	2.0
<b>NZ Trading Partners</b>	<b>100.0</b>	<b>4.1</b>	<b>3.9</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>1.8</b>	<b>2.0</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>
<b>Forecasts for New Zealand</b>											
Consensus		3.1	2.9	2.5	2.6	2.4	1.9	1.6	1.6	1.9	2.0
BNZ Forecasts		3.1	2.9	2.4	2.6	2.5	1.9	1.6	1.5	1.9	1.7
<b>The World</b>		<b>3.2</b>	<b>3.1</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>2.9</b>	<b>2.6</b>	<b>2.6</b>	<b>2.9</b>

### RBNZ and Treasury ponder the abyss

Both the Reserve Bank and Treasury released papers under the Official Information Act showing they are giving serious thought to how a GFC-style crisis would play out in a low interest rate environment.

The concern is legitimate, since the RBNZ is odds-on to ease interest rates again on Aug 7 to a record low 1.25%.

There is little belief among macro-economists that lowering interest rates any further will have much stimulatory effect to either economic activity or the rate of inflation. However, with the US Fed also expected to drop rates again in mid-Sept, it would be a brave central bank that stood out against the trend without good evidence.

The RBNZ is nowhere close to implementing any unconventional monetary policy but they have, rightly, started thinking about what they might do now rather than starting the thought process in a time of crisis.

If there were a downturn - still an if, the NZ economy's rate of growth is slowing, there is no sign of recession - the real pressure will go on the NZ govt to come to the party as the strong fiscal position opens the door to significant fiscal stimulus if needed.

That explains why the Treasury has also been considering how a dramatic easing in fiscal policy might play out. This could occur without significant international penalty, given NZ is running net Crown debt at a very low level by OECD standards.

A 25 point cut by the Fed in Sept is already priced into global financial markets and is consistent with the RBNZ going again. If the Fed didn't cut, that would put the cat among the pigeons but the chance of that is near zero.

### Productivity

Competition and consumer protections will be essential if NZ is to benefit from the rapid technological developments underway globally, newly appointed **Commerce Commission chair Anna Rawlings** told the bi-ennial Competition Matters conference.

### Activity and confidence indicators

The **BNZ-BusinessNZ performance of services index** fell 0.8 of a point in June from May to a seasonally adjusted 52.7. That was 0.3 of a point lower than a year earlier and remains below the long-term average of 54.4. A reading above 50 indicates expansion.

### Beneficiaries total rises

June quarter data said there was a 5.2% jump in the number of working-age people receiving main benefits in the last year. 291,969 working age people were on a benefit, 9.7% of the working-age population. 4.5% of the working-age population were receiving jobseeker support, with this increasing 11.2%, or 13,720, since June 2018 to 136,233 people.

### Net migration still slowing (probably)

**Annual net migration** was provisionally estimated at 50,200 ( $\pm$  800) in the year ended Dec 2018 compared with 52,600 in the previous year. Stats NZ said over the past four calendar years, 224,000 more people came to NZ than departed.

More than half the net gain in migration came from Asia, especially India and China, with provisional net gains of 47,800 and 38,600 respectively over four years. In the same period there was a net gain of 11,200 migrants from the UK.

About 219,300 **visitors** arrived in NZ in May, down 1.2% on the year. The number of Chinese visitors fell 9% on the year to 27,782. There were 90,848 Australian visitors that month, up 0.8% on the year. The number of visitors from India fell 20.6% to 7,193.

### Rural real estate

There were 322 **farm sales** in the three months ended June 2019, with 1,342 farms sold in the year to June 2019, 9.3% fewer than were sold in the year to June 2018. The median price per hectare in the three months to June 2019 was \$22,044 compared to \$21,745 recorded for three months ended June 2018 (+1.4%).

### Wage bargaining

**Adelhelm & Associates** says **First Union** consistently achieved higher average pay agreements than its rivals, **E Tu** and the **Amalgamated Workers Union**.

The three overlap in the retail, finance, commerce, transport and manufacturing sectors.

The survey of some 210 collective agreements covers 65 of NZ's largest employers, including Fonterra, Vector, Downer, trading banks, and supermarkets.

The report shows First Union averaged increases of 3.15 % annually in negotiations for 2018, 2019, and 2020. E Tu averaged 2.44% and AWUNZ 2.1%.

Wage settlements covered by the survey ranged from zero to 6.6 percent, the overall picture was one in which "employees are standing on a good ground with their increases". ■

## Primary industries

**KPMG** estimates the Reserve Bank's bank capital proposals will reduce agri-lending by between 15% to 25%, mainly in dairy, and increase margins across their remaining agri-lending by 100-125 basis points.

**Fonterra** said it will immediately stop installing any new coal boilers or increasing capacity to burn coal. It had previously announced plans to build no further coal-fired plant from 2030.

The **Overseas Investment Office** and the **High Court** approved **Inner Mongolia Yili Industrial Group's** purchase of **Westland Co-operative Dairy Group**.

The **Fonterra Shareholders' Council** says the proposed methane reduction target of 24% to 47% below 2017 levels by 2050 is neither appropriate nor reasonable, as it would potentially require almost half of the livestock farming sector to disappear within 30 years. The view was shared by other farming representative groups in submissions on the Zero Carbon Bill.

The **Overseas Investment Office** approved **Craigmore Sustainables** spending \$32m to develop 137 hectares of horticultural land in Northland. The NZ-run business sources its capital from a range of high net worth foreign and NZ investors.

Tougher laws governing the movement of livestock and harsher penalties for non-compliance are planned in law changes. The govt also began wider review of the **Biosecurity Act**.

The **Global Dairy Trade** price index climbed for the first time in five auctions rising 2.7% from the previous auction two weeks ago. The average price was US\$3,412 a tonne, compared with US\$3,302 a tonne two weeks ago. 25,000 tonnes of product was sold, up from 24,711 tonnes two weeks ago. Whole milk powder average prices advanced 3.6% to US\$3,074 a tonne, the first rise since March.

## Banking, finance and insurance

**Fitch** placed **ANZ** and **Westpac** on negative outlook, from stable, on its long term debt, citing material shortcomings in operational risk management.

The **Reserve Bank** put a spanner in the works of **AMP's** proposed A\$3.3b sale of its Australian and NZ life insurance and wealth protection businesses to **Resolution Life Group**. The regulator says Resolution Life must have separate, ring-fenced assets held in NZ for the benefit of NZ policyholders. As a result, AMP said the sale is highly unlikely to proceed on the current terms due to the challenges in meeting the conditions.

**Ross McEwan** was appointed **National Australia Bank's** new chief executive after holding that role at

Royal Bank of Scotland since 2013. He will join fellow Kiwi and incoming **NAB chair Philip Chronican** who has been acting chief executive since the Feb departure of **Andrew Thorburn**. Thorburn and current chair **Ken Henry** resigned in the wake of the Australian royal commission into financial services.

Changes are to be made to **KiwiSaver** law to allow those with life-shortening congenital conditions to have early access to their KiwiSaver funds.

## Telecommunications, media and entertainment

**Huawei** told international media, including two NZ reporters hosted by the company, it won't turn its back on NZ, even if it can't convince the govt it's not a front for Chinese spies. Huawei chair **Liang Hua** said Huawei has never been asked to collect foreign intelligence and always complied with the law of the land it operates in. "We will never allow anyone to install backdoors into our equipment," he said.

The **Commerce Commission** laid Fair Trading Act charges against **CallPlus Services** (trading as Slingshot), **Flip Services** and **Orcon**, alleging the companies issued invoices which included charges to customers after the agreed termination date for their contracts.

**Chorus** added 8,000 1-gigabit-per-second plans in the three months ended June 30, giving it 58,000 1-Gbps connections at \$60 a month. Chorus added 43,000 fibre connections in the quarter, taking it to 599,000, up from 433,000 a year earlier. About 71% of mass-market fibre connections are on the 100 megabit per second plans at \$46 a month.

**Spark** is ramping up preparations for live-streaming the **Rugby World Cup** in Sept, including offering a \$149 service to set up customers' streaming service. One of the company's concerns is that user error will mar perceptions of its rollout of Spark Sport.

## Energy

The **Ministry of Transport** is consulting on new rules for drones including the seizure of drones breaking regulations.

**Mercury's** hydro dams and geothermal plants earned an average \$117.15 a megawatt-hour in the June quarter, up from \$79.84/MWh in the June quarter of 2018. Production fell to 1,527 gigawatt-hours, 21% less than a year earlier, as dry weather cut hydro output to 796 GWh – 422 GWh less than the near-record levels a year earlier.

**Transpower** says a further reduction signalled for its revenue during the next five-year regulatory period should not affect its key credit metrics.



## CORPORATE ROUND-UP

Mild weather in May and June left **Vector's** power and gas volumes for the June year marginally lower than a year earlier.

### Infrastructure

The **HRL Morrison**-managed PIP Fund 1 hired an adviser to test the waters for a buyer of its social infrastructure assets estimated to be worth A\$300m to A\$400m.

Former BNZ GM of institutional banking **Paul Blair** will take over as ceo of Infrastructure NZ in August, replacing **Stephen Selwood**.

### Tourism, transport and logistics

The **Ministry of Transport** is consulting on new rules for drones including the seizure of drones breaking regulations.

The govt is seeking feedback on road safety proposals including: making it easier for councils to review speed limits, improving the safety of vehicles entering the fleet, a new focus on work-related road safety, and prioritising road policing to tackle high risk behaviour.

Wellington's **CentrePort** says it has a further three unnamed potential freight hubs at the concept stage but is focused on completing the expansion of its Waingawa log yard first.

**South Port** will report flat annual earnings, beating guidance for a 10% decline, as strong cargo flows late in the season gave profit an extra push with net profit in the 12 months ended June 30 similar to last year's record \$9.66m.

**Napier Port's** partial float was indicatively priced at \$2.27 to \$2.60 a share and will raise \$204.3m to \$234m. After costs and a special dividend, the net proceeds will be around \$110.2m.

**Air NZ** will make changes to its online booking system after a complaint to the **Commerce Commission** over referring to a 'Flight Selling Out' when it only meant there were a few seats left at a certain price.

**Invercargill Airport** received \$500,000 from the **Provincial Growth Fund** to upgrade its cargo and terminal facilities to cope with a direct service between Auckland starting next month.

The **NZ Superannuation Fund** will invest into a

\$300m hotel portfolio owned by **Russell Group** and **Lockwood Property Group**. It includes two Auckland hotels, one in Christchurch and agreement to acquire and develop more properties.

**Ruapehu Alpine Lifts CEO Ross Copland** is leaving to take over at the **Remarkables Park Group** in Queenstown in Sept with a replacement search underway.

### Waste management

**Oji Fibre Solutions** has announced a 35% increase (\$10 to \$13.50) in the cost of collecting a bin of used paper to stem losses when it sends paper offshore for recycling. The company said its margin had gone from US\$120 per tonne to a US\$80 per tonne loss.

### Capital markets

Former **Ballance Agri-Nutrients** head of comms **David Glendinning** will replace **Hannah Lynch** as head of corporate comms for the **NZX**. Glendinning previously worked for **Mercury**. Lynch has moved to **Synlait Milk**.

### Corporate actions

**PGG Wrightson** shareholders voted overwhelmingly in favour of a scheme of arrangement to distribute \$234m to investors following the sale of the company's seeds division. Wrightson will undertake a two-for-one share split, followed immediately by a 31 cent payment per share to cancel one of every two shares which won't be treated as a dividend for tax purposes.

### Commercial property

**Asset Plus** sold its **Heinz Watties** distribution centre in Hastings for \$29.1m to a property syndication with it underwriting \$16.25m of equity to help fund the deal for a \$487,500 fee.

### Courts and regulation

The registrar for companies moved to dissolve wealth management company **Denton Morrell** after its director Matthew Butterfield died.

**NZer Andrew Pearce** admitted taking \$US45m in kickbacks as part of a multi-billion dollar scandal that threatened to bankrupt Mozambique. He pleaded guilty to wire fraud in a New York federal court. 