

Northport shift not a done deal

Page 2

The final report of the Upper North Island supply chain study group is being touted as the final stage in a process that could see Auckland's port operations shift to Northport, over time. However, there is plenty of political debate yet to come, with Ports of Auckland preparing a strong counter-argument in favour of a Firth of Thames relocation.

Govt's plans for publicly funded news

Page 2

Detail is scant, but the govt appears likely to merge at least the news operations of Radio NZ and TVNZ as part of its response to concern over the decline in news media resilience.

Pressure rising for electricity tariff resets

Page 2

Electricity generator-retailers have a relatively short of window of opportunity to reset the energy component of electricity tariffs between the completion of the Electricity Price Review and the onset of general election campaigning. Offsetting rising energy costs are likely to be a reduction in network line charges.

Civil liberties erosions on several fronts

Page 3

The govt is courting a range of measures that would significantly roll back civil liberties, with its proposals to create firearms prohibition orders with significant search powers and anti-terrorism law that could bypass the courts in the case of NZers linked to terrorism when they return to NZ.

Nats' education policy fresher than Tomorrow's Schools?

Page 4

The govt announced less sweeping changes to the role of school boards of trustees under its reform of the 30 year-old Tomorrow's Schools policy. By contrast, National's education discussion document contained several new ideas, including to the fees free policy, support for post-doctoral students and a push to have one NZ university ranked in the global top 50.

RBNZ remains master of surprise

Page 6

Having spooked the markets and consumers with its 50 basis point OCR cut in August, the RBNZ surprised market-watchers again with this week's decision not to cut again. The central bank may be taking a less bullish view about potential growth rates, given constraints in the NZ economy.

A shabby week for NZ First

NZ First has had a shabby week. Leader Winston Peters withdrew his suit against former National Party ministers Paula Bennett and Anne Tolley over the leak of his pension overpayments before the 2017 election. Then, more questions about the party's funding arose, with disclosure that the party takes loans from a party-linked foundation that appears to exist to launder major donors' contributions anonymously.

Auckland port shift - PoAL prepares to fight back

Ports of Auckland is **preparing the groundwork for a vigorous challenge to the economic, logistical and environmental arguments for moving the port's operations to Northport**, near Whangarei.

Senior executives were in Wellington earlier this week for meetings with key ministers, including the main proponent of the move, Regional Economic Development Minister Shane Jones, for whom the move is a political as much as an economic project.

The **final report of the Upper North Island Supply Chain Study has now been delivered** and is expected to be debated at Cabinet and released before Christmas. However, **it will not be the last word**, with further work likely from govt officials on a report that will almost certainly have produced the result its NZ First backers sought.

The scheme's supporters say the Auckland port board and management are in denial about the consensus that the facility needs to move off the Auckland CBD waterfront in its entirety, with the exception of cruise ships.

PoAL, however, has commissioned its own research into the EY analysis of the Northport option, which is understood to be damning about the degree of rigour applied. **EY concluded Northport was the least attractive option for a new port location in 2017, but elevated it to the best option in its latest research.**

PoAL will also argue that **carbon emissions will be far higher** if goods are freighted by train and truck to Auckland from Northport instead of being delivered by ship to the Auckland wharves; that **supply chain resilience will be lost** by the move; and that **many elements of the proposal have been undercosted** - particularly decongesting the Auckland isthmus.

It may also argue that **orienting freight operations to accept goods for Auckland from the north will run counter to the govt's preference that the city grow more to the south.**

PoAL is understood to believe a **Port of Thames option is far better** and, contrary to conventional wisdom, would be consentable with the involvement of iwi investment. Tainui Holdings already has a big stake in the Golden Triangle between Tauranga, Hamilton and Auckland with its Ruakura freight handling facility.

Much will end up resting on the attitude of the port's shareholder, Auckland Council, with mayor Phil Goff being lined up for briefings in coming days.

The PM is hedging her bets more than might be apparent from her comment this week that it is a

matter of "when, not if" the Auckland port moves. She did not express a view as to where the port should move to and allowed that it could be several decades before a shift occurred.

Her Transport Minister, **Phil Twyford, opposes the Northport option** and there may yet be trade union pushback. However, Twyford's weakened position in the Cabinet makes it difficult to judge how much influence he might wield in a decision that is very dear to **NZ First's desire to win an electorate seat in Northland** to secure its parliamentary future.

TVNZ/RNZ merger

Proposals being developed by the Ministry of Culture and Heritage to bring TVNZ and RNZ into a single state broadcasting entity are **motivated by the govt's concern to ensure about declining quality and institutional resilience in the news media.**

However, merging the fully govt-funded RNZ with TVNZ, which is mainly funded by advertising revenue and partially by winning NZ on Air contestable funding, is not without risk.

TVNZ under ceo Kevin Kenrick has shown considerable acumen - assisted by a shareholder with lenient expectations about returns - particularly in growing TVNZ On Demand as a commercial streaming platform competing with Netflix, Lightbox and other streaming services.

Kenrick has said quite recently that this is where TVNZ needs to focus if it's to succeed. It's difficult to square that with putting TVNZ into a new entity with, presumably, the kind of public good requirements that the broadcaster has not been required to pursue in the past.

The **role of NZ on Air in the new entity will be both crucial** and intriguing. Particularly if TV3 stops broadcasting, the agency will find itself mainly funding RNZ and TVNZ.

It may yet be that the news services of both will be combined, while TVNZ's commercial programming and approach will continue separately.

TVNZ was at pains to assure advertisers that there was no decision yet, although announcements are likely before Christmas, and that the proposals were intended to strengthen public broadcasting rather than weaken commercial entities.

Pressure rising for higher electricity charges

The electricity generator-retailers were conspicuously well-behaved during the two years of the Electricity Price Review, with little or no movement in the

energy component of retail customers' electricity bills despite the surge in wholesale power prices in recent months.

The issue is now front of mind for many, who will **want to move on energy charges in the hiatus between the EPR's conclusion and the general election** in a year's time.

Many are likely to be able to mask tariff increases for energy, thanks to the offsetting impact of the Commerce Commission's pending decisions on network line charge rates of return.

Mercury ceo Fraser Whineray acknowledged that substantial power price increases pose a "very real risk in the regulatory space," which "could be severe if it's not managed well."

Meanwhile, the **Electricity Authority** is consulting on a proposed 180-day ban on retailer-initiated saves and win-backs and separately on the operation of the electricity futures market. Both consultations flow from the recommendations of the EPR.

Smelter support

South Port joined other Southland firms to support the Tiwai Point smelter. Aluminium accounts for 33% of the port's cargo with a fixed licence fee running until 2043, although the impact of closure would be less than \$2m on the bottom line.

Contact Energy chair Rob McDonald argued at the company's annual meeting that **keeping Tiwai Point open would deliver a better outcome in climate change terms**, since its production would likely be replaced by a smelter using coal or gas-fired electricity generation, and that a way should be found to keep it running.

McDonald faulted both how long the Electricity Authority's transmission pricing methodology process has taken so far, along with reducing and delaying benefits to the smelter from re-apportioning how national grid costs are shared around the country.

Civil liberties erosion in terror and firearm prohibition policies

The govt's proposed anti-terror and firearms prohibition order laws represent a significant erosion of civil liberties and due process, if adopted.

The proposals in the Terrorism Suppression (Control Orders) Bill, which would allow control orders to be issued against people suspected or known to be returning from offshore where they engaged in terrorist activities moved the Privacy Commissioner, John Edwards, to label the law "obnoxious".

"If agencies do not have enough evidence to take a criminal case, the remedy is to gather more evidence, not to reduce the standard of proof required to achieve penal sanctions and restrict individuals' liberties without due process," Edwards said during select committee hearings this week.

The govt is also proposing Firearms Prohibition Orders to prevent dangerous people from having firearms, being in a home that has firearms, or being in the company of people with firearms. A discussion document also proposes enabling police to search property and confiscate firearms without a warrant.

Adding to the sense that the govt is accepting a significant shift in NZ social norms is its **acquiescence, so far, of the decision by the NZ Police to begin experimenting with armed patrols in trouble-spots**. Police Minister Stuart Nash has maintained a hands-off attitude, saying this is an 'operational' matter.

However, that stance is looking shaky. NZers pride themselves on having an unarmed police force. It is hard to see that violent crime has become so prevalent that that attitude would readily change, while the initiative is alarming activists who fear non-Europeans may be more aggressively targeted by armed police patrols.

Concerns about police standards of probity have also been exposed by the latest Police Complaints Authority finding against the police in relation to their investigation into the 2014 'Dirty Politics' book by activist Nicky Hager. The PCA this week upheld a complaint by left wing blogger Martyn 'Bomber' Bradbury relating to police searches and subsequent personal impacts from their involving him in the investigation.

Zero Carbon

The Zero Carbon Bill passed into law, setting in statute greenhouse gas emissions reductions targets and creating the Climate Change Commission to advise on carbon budgets and how to meet them.

National joined govt parties to support the Bill giving the policy framework broad bi-partisan support. Simon Bridges said in govt he would seek to make changes, particularly around the long term methane reduction targets and the pace of change in comparison to other countries. PM Jacinda Ardern said under Labour, NZ would not be a slow follower of other countries' efforts.

Mosque attacks inquiry gets more time

The Royal Commission into the Attacks on Christchurch Mosques has had its report back extended from Dec 10 to April 30 and received a \$3m budget increase as a result.

Tracking methane from space

Meanwhile, the govt is putting \$26m toward MethaneSAT, a satellite to locate and measure global methane emissions with the control centre in NZ. The work is a partnership with the US Environmental Defense Fund to initially focus on the oil and gas sector. It will focus initially on industrial and urban methane emissions but will also be useful in tracking agricultural methane emissions. It is the latest of a growing list of space initiatives that MBIE research released this week suggests is now worth around \$1.7b to NZ annually.

Trade agreements

NZ and China announced a conclusion to the negotiated upgrade of the 2008 bi-lateral free trade agreement. It includes streamlined rules for exporters and giving most wood and paper trade to China preferential access over the next 10 years. NZ will adjust visa rules for some jobs, including tour guides and Mandarin language teachers.

The ASEAN-led RCEP trade negotiation saw agreement reached among 12 of the 13 potential signatories. **India, as expected, was the hold-out and appears unlikely ever to embrace trade liberalisation in goods.**

That result, at last week's East Asia Summit in Bangkok, **reinforced the extent to which the region is often being left looking to Beijing for economic leadership.**

ASEAN countries are not comfortable with this and their reactions ranged from approval (Cambodia) to skepticism (Thailand) to barely hidden hostility (Japan).

The PM and her advisors know that navigating this maze is now the **single biggest issue confronting both our foreign and trade policy makers.** They realise that the US influence in the region is likely to continue to wane under current nationalist policies,

and that NZ's success will depend on how we balance intra-regional relationships.

Evidence of that came with the decision to continue with RCEP even though it offers little of value to the export sector. To "divorce" East Asia now would be to isolate New Zealand and risk leaving it too dependent on China.

Meanwhile, top MFAT trade negotiator **Vangelis Vitalis was in Washington last week exploring US-NZ FTA possibilities.** However, **a bi-lateral agreement looks very difficult to achieve,** given IP protections - particularly for pharmaceuticals - were one of the US's main objections to the TPP agreement prior to its withdrawal in 2017. There would seem to be **no clear reason for the US to sacrifice that position in a deal with NZ.**

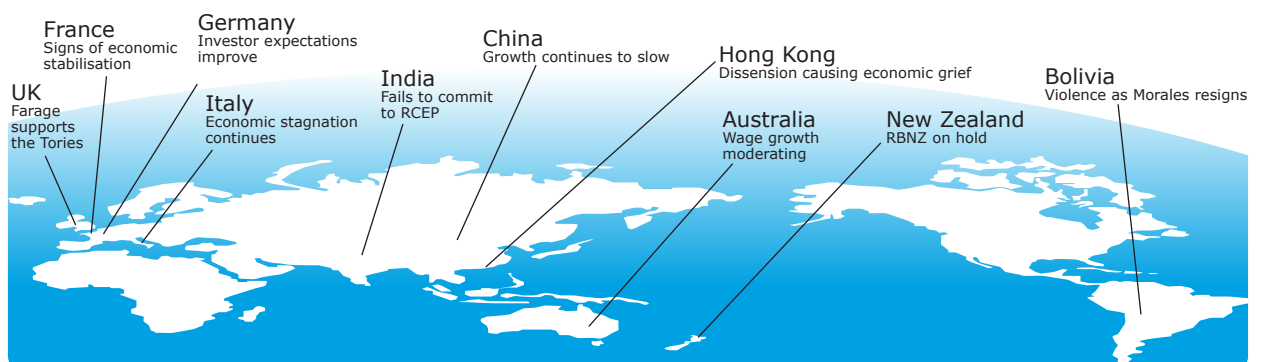
Insolvency law reform

Liquidators' clawback powers will be cut from two years to six months for payments made to third-party suppliers of failed companies under insolvency law reforms announced by Commerce Minister Kris Faafoi. For creditors with a close connection to a director of a failed company the two-year clawback period will increase to four years. Most of the changes were recommended by the Insolvency Working Group and will be included in a future Insolvency Law Reform Bill.

Tomorrow's Schools

The govt is creating a new division of the Education Ministry to take over management of schools enrolment zones and property. The agency was recommended in the final report of the Tomorrow's Schools Review Taskforce, released by Education Minister Chris Hipkins. A new Education Support Agency will provide more help to schools, with minimum standards for prospective principals and other changes.

The world at a glance



Euthanasia referendum confirmed

The End of Life Choice Bill completed its third reading by 69 to 51. The bill will now be put to a referendum at the next election, along with the referendum on the legalisation of recreational marijuana use.

RMA reform

The working group appointed to recommend fundamental reforms to the RMA has issued an options paper for submissions that is **heavy on “enabling a new role for spatial planning”, better use of existing data, and the potential for separating land use planning law from environmental protection law.**

“The options included are not comprehensive of all those that will be considered, nor are they fully developed proposals. Rather they should be thought of as indicative of the types of reform ideas that are being considered by the review,” the review panel, led by retired judge Tony Randerson says.

The review will include how the RMA meshes with the Local Government Act 2002, the Land Transport Management Act 2003, and the Climate Change Response Act 2002. Building, fisheries and conservation legislation may also be affected.

“Institutional reform is not a driver of the review. However, in making recommendations, the review

will consider which entities are best placed to perform resource management functions,” says the paper, which sees a “bias towards the status quo” built into existing legislative frameworks, particularly for urban development.

“Some argue that insufficient recognition in the purpose and principles of the RMA of the positive benefits of housing, infrastructure and other development has hampered planning for development. The lack of content about these issues left decision-makers with little guidance on how to plan for development in urban and other areas.

“Processes are complex, litigious, and costly, and frequently disproportionate to the decision being sought or the risk or impact of the proposal”, with matters that should be in plans left to be fought out on a case-by-case basis in resource consent applications.

The options paper puts on the table whether a new Act should “retain or change the sustainable management purpose under s5” and whether to “reframe sections 5, 6, and 7 to more clearly provide for outcomes-based planning”.

On the role of spatial planning, the options paper dwells at some length on the absence of a consistent framework for spatial planning in NZ, including a lack of legislative mandate creating formal links between spatial planning, regulatory resource management, and funding plans. ■■

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	31.9	6.8	6.6	6.2	5.9	5.8	1.6	2.1	2.5	2.5	2.4
Australia	17.8	2.4	2.7	1.9	2.4	2.6	1.9	1.9	1.6	1.9	2.4
United States	11.3	2.2	2.9	2.3	1.8	1.8	2.1	2.4	1.8	2.1	2.3
Japan	7.1	1.9	0.8	1.0	0.2	0.7	0.5	1.0	0.6	0.7	0.8
Eurozone	5.8	2.5	1.9	1.1	0.9	1.2	1.5	1.8	1.2	1.2	1.6
South Korea	3.4	3.1	2.7	1.9	2.2	2.5	1.9	1.5	0.5	1.3	2.0
United Kingdom	3.1	1.8	1.4	1.2	1.0	1.6	2.7	2.4	1.9	2.1	2.1
Singapore	2.3	3.9	3.1	0.6	1.5	2.5	0.6	0.4	0.6	1.0	1.6
Hong Kong	2.6	3.8	3.0	-0.1	1.3	2.4	1.5	2.4	2.7	2.2	2.3
Taiwan	2.4	3.1	2.6	2.1	1.9	2.1	0.6	1.4	0.7	1.1	1.4
Malaysia	2.1	5.9	4.7	4.5	4.2	4.7	3.8	1.0	0.8	1.9	2.5
Indonesia	2.0	5.1	5.2	5.0	5.0	5.1	3.8	3.2	3.2	3.6	3.6
Thailand	2.1	4.0	4.1	2.8	3.0	3.4	0.7	1.1	0.9	1.1	1.4
Philippines	1.7	6.7	6.2	5.7	6.1	5.8	2.9	5.2	2.6	3.0	3.6
Vietnam	1.5	6.8	7.1	6.8	6.5	6.2	3.5	3.5	2.7	3.6	3.8
India	1.4	7.2	6.8	6.0	6.8	7.4	3.6	3.4	3.5	4.0	4.6
Canada	1.5	3.0	1.9	1.5	1.6	1.7	1.6	2.3	2.0	1.9	2.0
NZ Trading Partners	100.0	4.2	4.1	3.4	3.4	3.5	1.8	2.0	1.8	2.0	2.2
Forecasts for New Zealand											
Consensus		3.1	2.9	2.4	2.2	2.4	1.9	1.6	1.6	1.9	2.0
BNZ Forecasts		3.1	2.8	2.2	2.2	2.0	1.9	1.6	1.6	2.2	1.8
The World		3.2	3.2	2.5	2.5	2.6	2.5	2.9	2.7	2.7	3.0

DOMESTIC ECONOMY

Surprise! The RBNZ leaves the OCR unchanged

The RBNZ's decision to leave the OCR at 1% has also **raised the bar for future rate cuts**. There is still significant potential for a cut at some stage in 2020.

Underpinning the decision, unexpected by financial markets, to keep the OCR on hold appears to be a **shift in the RBNZ's view about the economy's ability to grow as strongly as it's previously assumed**.

Softening investment growth and restricted labour productivity are the constraints that now mean the RBNZ's potential annual growth rate track troughs at 2.2% in Q4 2021, implying that **growth above 2% will be inflationary**.

A more neutral stance is also justified by a **sharply higher inflation track** in this week's Monetary Policy Statement, reflecting strong food and petrol price rises and the impact of the weaker NZD. Annual inflation in the March 2020 year is now projected at 2.1% compared to 1.7% previously.

The upward bounce in the NZD since the OCR announcement is not judged to be significant for the RBNZ's outlook. The TWI is sitting at around 71.0, close to the RBNZ's assumption it stabilises at 71.4.

As a consequence of these shifts, a **February rate cut now looks unlikely**, particularly if the RBA leaves Australian benchmark rates unchanged next month.

Overall, it looks as if the RBNZ **has concluded that it wants to avoid negative interest rates and alternative monetary policy** if it possibly can; that lower interest rates will have a minimal impact on the real economy at this stage in this particular economic cycle; and that rate cuts could be misinterpreted in the way that occurred with the 50 basis points cut in August.

That said, growth could still fall below the RBNZ's expectations, with key leading indicators continuing to suggest weaker growth than forecast.

Self-assessed wealth jumps

The proportion of people who felt they had **enough or more than enough money** to meet their needs **increased from 51% in 2008 to 63%** in 2018, Stats NZ found. According to the General Social Survey **renters remained over twice as likely as homeowners to say they didn't have enough money** to meet everyday needs.

Auckland real estate

Barfoot & Thompson sold 824 properties in Oct, down from 844 a year earlier, with the median

sale price at \$845,000, a 1.7% decline from a year earlier. But the volume was up about 8% from Sept on a seasonally-adjusted basis and indicated a continuation of Auckland's recovery over the past two or three months.

Farm debt

Some **heavily indebted dairy farmers are barely covering their interest payments despite relatively strong prices** for several seasons. Westpac NZ chief executive David McLean said although only 0.32% of Westpac's agribusiness portfolio was impaired at Sept 30, down from 0.42% a year earlier, loans classed as stressed rose from 9.7% to 10% of the portfolio.

Commodity prices

The ANZ commodity price index lifted 1.2% in Oct after being unchanged in Sept. It was up 7.2% in the past year. In local currency terms, the Oct index rose 1.5% and was up 9.7% on the year. Dairy prices rose 0.4%. The meat and fibre index increased 3.3% and the horticulture index lifted 1.7%, while the forestry price index was up 0.4%. Aluminium prices were the only locally produced raw material to fall in Oct, down 1.6% and 15% lower than a year ago.

Labour market

The **unemployment rate** rose to 4.2% in the Sept 2019 quarter, up from 3.9% last quarter, Stats NZ said. The underutilisation rate fell to 10.4%, the lowest since the June 2008 quarter when it was 9.9%.

Wage growth hit a 10-year high in the Sept quarter boosted by public sector pay settlements and a lift in the minimum wage. Public and private sector wage inflation -rose a quarterly 0.8% and an annual 2.4%. The boost was largely in the public sector up 1.3% in the quarter for a 3% annual gain. Private sector wages rose 0.6% for a 2.3% annual increase.

Confidence

The ANZ-Roy Morgan **consumer confidence index lifted to 118.4 in Oct from 113.9 in Sept**. The current conditions index rose 2 points to 127.8 while the future conditions index lifted 6.1 points to 112.1. Of the 1,001 respondents, a net 20% said they are better off financially than they were 12 months ago, up from 11% in September, the highest level since 2007. A net 29% expect themselves be doing better in 12 months versus 23% in Sept.

Consumer spending

Retail card spending fell 0.6% in Oct, with less spent on long-lasting goods such as hardware and appliances, as well as a dip in day-to-day spending on food and drinks. ■

Primary sector

Fonterra told shareholders a smaller domestic dairy herd will play into its plan to extract greater value from NZ milk by introducing scarcity to the market. It also said all the world's major cooperatives face similar pressures from growing environmental concerns. **Fonterra Shareholder's Fund chair John Shewan** expects institutional and private wealth investors will return to the fund after shunning it in recent years. At the end of Sept, institutional investors owned 15% of the units, down from 38% two years ago.

A2 Milk will face increased competition after Chinese infant formula player **Junlebao** launched an A2-protein formula, analysts at **Citi** said, with other domestic Chinese brands also close to launching A2 products.

A 76% plunge in annual profit for its commercial arm and challenging economic conditions has seen **Ngai Tahu** launch a wide-ranging review of its businesses. It posted a net profit of \$37.5m for the year ended June from \$153.7m the previous year and the latest profit is also lower than forecast because of a \$57.1m write-down of its Oha Honey unit. The manuka honey unit's operating deficit before the write-down was \$6.3m. Ngai Tahu Holdings' farming unit posted a \$10.3m net deficit.

Banking, insurance and finance

Building public confidence in the **insurance sector** requires more effort from the sector, RBNZ governor **Adrian Orr** said as public expectations of what constitutes good conduct and culture has sharpened.

BNZ reported a net profit of \$1.02b for the year ended Sept, down from \$1.03b the previous year. Charges for bad debts lifted from \$82m to \$114m, driven by an increase in provisions relating to a small number of large corporate dairy exposures.

Westpac NZ's net profit rose 3% to \$964m in the year ended Sept, despite a 1% drop in core earnings. Cash earnings rose 3% to \$1.04b. Net interest income was flat, while costs rose 7%. The Australian group's profit was down 16% to \$AU6.78b, with cash earnings down 15%. Westpac NZ's privilege to self-assess financial risk and capital requirements was restored by the **Reserve Bank**.

Australian private equity firm **Kirwood Capital** will get seat on the board at **Harmony Corp** after paying \$15m for a 13.4% stake in the peer-to-peer lender. Harmony raised \$25m of new equity from Kirwood and NZ investor **Michael Lookman**, whose interests took a 9% stake.

ACC's chief investment officer Nicholas Bagnall is leaving after more than 25 years helping

build its investment portfolio from \$1b to \$45b. Bagnall is setting up **Te Ahumairangi Investment Management**, which will focus on international equities with ACC a cornerstone customer.

ICT and innovation

Xero reported \$1.3m net profit for the six months ended Sept compared with a net loss of \$28.6m in the same six months last year with a 30% jump in subscriber numbers to more than 2m.

Pushpay is considering expansion after positive operating cash flow over the past 12 months rose to US\$8.9m in the six months ended Sept 30 from about US\$2m in the March period.

Infrastructure

Fletcher Construction is understood to be assessing a strategy to ensure a functioning Auckland international convention centre (NZICC) is available for the **APEC Leaders Week** in Nov 2021, led by ceo **Peter Reidy**, who was ceo at **KiwiRail** throughout the award-winningly swift restoration of the Picton-Chch rail link after the 2016 Kaikoura earthquake. The NZICC reconstruction plan will take until early next year to develop.

Napier Port contracted **HEB Construction** to build its 350 metre wharf to boost capacity when completed in late 2022. It follows the partial float of the company to fund the \$147m project.

Energy

Trustpower cut full-year earnings guidance after low hydro inflows and repair costs to a power station cut the company's underlying first-half profit by 25%. The company is expecting earnings of \$200m-\$215m from the previous \$205m-\$225m range.

Z Energy and its partners in the Wiri fuel terminal believe it may cost more than \$32m to increase jet fuel storage there and on the pipeline to **Auckland International Airport**. **Z, BP** and **Mobil** are investigating increasing fuel delivery capacity to the airport after an independent review panel said the govt should step in by June 2020 if they hadn't committed to the necessary investment by then. Z Energy chief executive Mike Bennetts said regulation won't be necessary.

NZ Oil & Gas promised a strategy review after minority shareholders rejected a takeover by major shareholder Ofer Global. Shareholders complained at the offer pricing a low probability of commercial success to NZOG's exploration activities.

Retail and wholesale

The Warehouse Group's first-quarter sales improved

CORPORATE ROUND-UP

by 4% from a year ago to \$694.8m. This follows sales growth of 3.6% for the same quarter last year. **Noel Leeming** had a 7.3% revenue increase to \$225m for the three months ended Oct 27 helped by the **Rugby World Cup** streaming, which meant many consumers had to buy new technology.

Briscoe Group says the final quarter of the year is looking positive after unaudited sales for the 13 weeks to Oct 27 came to \$140.4m, 5.7% higher than a year earlier. Homeware sales lifted 4.7% to \$87.9m and sporting goods sales rose 7.4% to \$52.4m.

NGOs

Multi-Cultural NZ, a partially govt-funded NGO with a mandate to provide services to ethnic minority communities around the country, is in crisis.

Bullying and other accusations against current president **Panchaa Narayanan** were aired at a Special General Meeting of MNZ's national executive last weekend, that Narayanan did not attend. At present, the organisation has no officially employed executive director following a recent resignation and is unable to make payments to suppliers because new signing authorities have not been arranged.

The national executive committee is elected via a federal structure of regional multi-cultural councils, and at least six of 24 of those councils are not currently financial members. A mediator employed by office-holders, **Joris de Bres**, has declined to step in if offered an acting executive chairmanship role.

People and appointments

Stephen Jacobi is to step down as executive director of the **NZ China Council**, which he has led since 2016. A search is on for a replacement.

Jon Hartley has been appointed the new chair of **Kiwibank**, subject to Reserve Bank approval. He will replace **Susan Macken** who did not seek reappointment.

Mike Burrell, currently NZ's Consul-General in South Africa, will be the new Executive Director of the **Sustainable Business Council**.

MFAT deputy ceo **Bede Corry** will be NZ's next High Commissioner to the UK, replacing Sir Jerry Mateparae next April.

Career diplomat **Si'alei van Toor** is to be NZ's next Ambassador to **Russia**. She was Senior Trade Adviser to the Minister for Trade and Export Growth, **David Parker**.

Healthcare and retirement

The **Abano Healthcare** board has recommended shareholders accept a takeover offer from Australian private equity firm **BGH Capital** and **Ontario Teachers' Pension Plan** at \$5.70 a share. The offer is the lowest of six takeover attempts in recent years and is being advanced by a scheme of arrangement.

NZ On Air ceo **Jane Wrightson** has been appointed as **Retirement Commissioner** taking up the position in Feb. She is expected by then to have delivered advice for decisions the govt is expected to make late this year to support **public interest journalism**. As outlined in this issue, her replacement may also be the head of a new combined state radio and TV broadcaster, or at least its news services.

Telecommunications, entertainment and media

Spark launched a 5G trial for **Emirates Team NZ** for yacht testing ahead of the America's Cup using **Huawei** equipment.

Current deputy **Andy Coupe** has been confirmed as **TVNZ's** new chair to take over from **Dame Therese Walsh**. Current **TVNZ** and **Weta Workshop** director **Cameron Harland** will become deputy chair and **Trish Carter** has been appointed as a new director.

Cyber-security

The **GCSB's National Cyber Security Centre's** annual incident report shows 339 attacks in the 12 months ended June 30, in line with the 347 incidents a year earlier.

More than a third of those were from Russian and Chinese state-sponsored actors. GCSB also said its malware-free networks programme will get rolled out to more businesses next year.

Capital markets

Sharesies direct **NZX** share trading helped more than double volumes on the exchange with 561,997 trades completed, a 110.2% gain from Oct 2018. 📊