

Winter blues

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The government missed out on a post-Budget poll bump. While this is not unexpected (historically, post-Budget bumps are uncommon) the government will be worried about voters' continued scepticism of Prime Minister Christopher Luxon and their growing concerns about the health system.

Te Pāti Māori scandal puts Labour in a bind

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Te Pāti Māori has been rocked by allegations, all strenuously denied, that people associated with the party misused census and health data for campaigning purposes. The allegations have put the party on war footing, energising supporters. The saga has big implications for Labour, who would have to work with the party in government on current polling, despite having been the source of one of the complaints.

Fieldays brings farming focus

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Luxon came bearing gifts to his first Fieldays since his government took office, confirming he would deliver on a promise to stop agriculture entering the Emissions Trading Scheme and promising a select committee inquiry that would look at rural banking.

China visit highlights changed relationship

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New Zealand hosted China's number 2, Premier Li Qiang, this week. It is the most significant Chinese visit since Li's predecessor visited in 2017. A bevy of agreements to increase market access were signed, but a post-meeting debrief from Luxon revealed the two had spent half their bilateral meeting discussing disagreements.

Housing recovery slows

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The green shoots witnessed in part of the housing market earlier this year have not blossomed into a full-grown recovery. Instead, the most recent data shows prices slumping slightly, although they are still up on last year. The slump was partly expected as we head into winter.

Synlait reshuffles board, confirms supplier unrest

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Dairy processor Synlait confirmed to the ASX it faced an exodus of farmer suppliers, with a "significant majority" of its 283 suppliers filing two-year notices to quit. Synlait Milk's major shareholder also dismissed Ruth Richardson and replaced her with Leon Fung as it dealt with its debt issues.

ComCom files charges against Kiwibank

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The Commerce Commission filed criminal charges against Kiwibank, alleging systemic breaches of the Fair Trading Act over several years. The breaches resulted in more than \$7m being incorrectly charged to over 36,000 customers.

Winter blues

You can't quite describe the post-Budget period as a "winter of discontent". Polls aren't as bad as they were for Labour after its Budget last year, nor are business confidence indicators quite as gloomy as they were during the actual "winter of discontent" following the election of the Helen Clark government when the own activity indicator of ANZ's business outlook survey fell to -3.6. The same figure is currently +12.

But all the perspective and context doesn't disguise the fact that things aren't that flash. The own activity measure is down two points from last month's survey, and well off the 29.5 figure posted as recently as Feb.

This funk is reflected in polling. The June Taxpayers' Union-Curia poll, the only poll to have published after the Budget, showed the governing parties losing 3 seats.

That poll had National on 35.4% (-1.9 pts), Labour on 29.4% (-0.6 pts), The Greens on 12.7% (+2.5 pts), Act on 9.7% (+0.3 pts), NZ First on 5.6% (+0.1 pts) and Te Pāti Māori on 4% (up 0.9 pts).

That result is not catastrophic for the government, but it is hardly a ringing endorsement from the public either. It would force National and Act to continue governing with NZ First, a party they would rather do without, and places NZ First itself perilously close to the 5% threshold – a tiny change in polling could see them out of Parliament and that could in turn see the left bloc returned to power.

Voters are taking out their unhappiness on leaders from across the political spectrum. Prime Minister Christopher Luxon's net favourability rating fell 13 points to -5, while Labour Leader Chris Hipkins' rose 4 points to +3.

The fact both leaders' ratings are so low is significant. New Zealand is experiencing a rare moment of discontent with all its leaders, which was not seen during the John Key-Jacinda Ardern era. It's easy to forget, but until Hipkins popularity slump in August of last year, the Taxpayer's Union-Curia Poll had not recorded a Prime Minister with a net favourability rating in single digits.

August was just a blip, Hipkins recovered to record double-digit positive favourability every month of that year until December. As recently as last April, he had a +28 score. Ardern scored even higher, regularly polling in the 30s.

Underneath the headline polling figure, the actual mix of issues driving the slow erosion of the government's popularity has changed significantly.

"Cost of living" remains the issue front of mind for voters, with 39% ranking it among their top three

issues. But health has shot into second place. In February, just 7% of voters ranked health as a top issue. That figure has risen to 32%. Likewise law and order, which rose from just 7% of voters ranking it a top issue in February to 22% now.

Expect to see a focus on these two issues in the next couple of weeks. The government is beginning the rollout of a handful of generally pro-business changes that might reverse sluggish business confidence like announcing work was underway to overturn Labour's offshore oil and gas exploration ban, and looking at ways to make it more difficult for a future government to reverse the change.

Health GPS a way out of Budget backlash?

Health is the first issue to get attention with the much delayed publication of the Health Government Policy Statement this month.

A creature of Labour's Health reforms, the Health GPS is the high-level ministerial direction for how the government's health delivery agency, Health NZ, should actually deliver services in hospitals and the community. This will be the first full three-year GPS issued under the reforms, replacing an interim one issued by the last government.

The GPS will force the government to reveal how it intends to replace the Maori Health Authority, which it has said would involve devolving funding to Māori health providers.

Tough calls abound. The coalition agreement with NZ First weds the government to the notion that "public services should be prioritised on the basis of need, not race". The Health system, particularly during Labour's reforms, has been at the vanguard efforts to embed the idea of equity, particularly on matters of race, in the public service. The Health GPS will be one of the first indications as to how committed Act and NZ First are to unpicking those changes and how far National is willing to let them go along with it.

Health was one of the few big winners in the Budget, getting \$1.43b in cost pressure funding this year, \$1.37m next year and \$1.37m in 2026. Those funding increases (which do not include increases in disability services funding) mean the GPS is likely to see funding of up to \$28b a year over the three year plan administered by Health NZ.

That was not enough to blunt Labour's main attack on the Budget, which highlighted or 13 new cancer medicines as National had promised on the campaign. The \$70m annual cost of medicines were meant to be funded by cancelling Labour's removal of the \$5 prescription charge.

The government has reinstated the \$5 charge (opting to mean-test continued access to free medicine), but it did not follow through on the cancer promise. Explanations for the broken promise varied between Luxon, Finance Minister Nicola Willis and Health Minister Shane Reti. Every government breaks a few promises, but as former National Finance Minister Steven Joyce argued in his weekly column, government's don't get far by breaking promises to cancer patients.

In reality, the promise was a foolish one, given the Pharmac model requires politicians not unilaterally deciding to fund one medicine over another. Nevertheless, the government is now scrambling to fulfil it.

There are even problems with selected medicines. The list of 13 was drawn up by the Cancer Control Agency and refers to medicines funded in Australia but not here. Dr. Christopher Jackson who helped to author the list now says it is out of date and in need of an update.

Those concerns look likely to go unheeded as the government, in full damage-control mode, rushes to deliver the medicines as promised, with ministers now saying it will be delivered this year. It might choose to fund them through the Health GPS, although funding is tight. Unions are already noting that large migration means per capita funding is falling behind Labour's pre-election forecasts.

The government can cauterise some of the damage by finding some way to fund the medicines, but the exercise is another example of the government's questionable political judgement. Every government needs to get used to breaking some promises, but there's a knack to knowing which promises to keep and which ones to break.

Te Pāti Māori scandal rocks left

The big political story of the week has been the scandal engulfing Te Pāti Māori. In brief, the allegations, which are denied by the MPs involved, allege that members of Manurewa Marae used census data, some gained by photocopying census forms, filled out as part of a community-led drive to improve census responses, which were then used for campaigning.

It is also alleged the party used data collected during the Covid-19 vaccination drive for campaigning, sending text messages from a number it had used in the vaccination effort to potential voters without attaching a promotor statement.

Eleven agencies are touched by the allegations. Some, like Stats NZ are conducting their own investigations. The Police and the Privacy Commissioner are also investigating. The Public Service Commission has also initiated a broad inquiry.

The allegations, all of which are denied, are extremely serious, but so far unproven. Party President John Tamihere, also head of Waiparera Trust and MP Takutai Moana Natasha Kemp, former chief executive of Manurewa Marae, are the party figures most damaged by the allegations given their role in the party and at the marae.

The dispute itself appears to have stemmed in part from a split at Manurewa Marae, with some of the complainants being involved in an employment dispute. Other complainants appear to have an association with Brian Tamaki, who leapt on the bandwagon attacking Tamihere. This is reason to have at least a little bit of scepticism.

So far, the party has responded aggressively to the complaints, telling supporters they are evidence of a racist society's desire to bring it down. This might play well with its young, activist supporters, meaning the party might not itself be overly hurt by the scandal.

There are other problems to consider. Tamihere is a controversial figure and rubs many the wrong way.

If his future is compromised by the inquiries, some in the party are likely to suggest he quietly move on. But this is complicated by Tamihere's connections to co-leader Rawiri Waititi, who is married to his daughter, Kiri. Neither Waititi, nor John and Kiri Tamihere have a reputation for taking things lying down.

The dispute also creates a major rift on the left of politics. Labour's only path to power on current polling is through Te Pāti Māori, but one of the key complaints in this saga was laid by a Labour MP, Peeni Henare (who lost his seat to Kemp). The fact that complaint has already unleashed a storm of controversy is reason to question whether Labour and Te Pāti Māori can patch things up enough to govern.

More broadly, the inquiries are likely to run a ruler over data sharing when contracting community organisations. This could create complications for the government which is keen to expand the use of those organisations for delivery of its social investment model.

Fieldays brings farming focus

Luxon fronted his first Fieldays as prime minister this week. After six years of Labour, which did not always get on well with the rural sector, Luxon was greeted positively at Mystery Creek.

He came bearing gifts. The first, confirmation of a

501 deal softens

Facing a fortnight of intense domestic pressure the Australian Government has softened its decision to consider a deportee's connection to Australia prior to cancelling a visa – a decision welcomed by New Zealand for slowing the flow of 501 deportees.

Now, community safety will be paramount in deportation decisions. It is likely to lead to mean more deportations to New Zealand.

POLITICS AND POLICY

campaign promise to delay the implementation of any agricultural emissions pricing.

Labour had legislated a “ETS backstop” which meant that if a non-ETS solution to agricultural emissions pricing were not found, agriculture, animal processors and fertiliser companies would have entered the ETS in 2025. That will now be repealed.

Work on the He Waka Eke Noa scheme has stopped and a new Pastoral Sector Group has been established to “constructively tackle biogenic methane”. The groups terms of reference will be set in consultation with the sector, irking environmental groups.

National had promised on the campaign that it supported agricultural emissions pricing in principle, and said it would have a scheme up and running to measure on-farm emissions by 2025 and to charge for them no later than 2030. The status of these party political commitment was left ambiguous by this week’s announcements.

The government also announced a select committee inquiry into the banking sector.

The inquiry was expected. National had called for such an inquiry in opposition and it was included in the coalition agreement with NZ First. What was unexpected was an expansion of the inquiry’s remit, which will specifically include rural banking services. Unsurprisingly, this was welcomed at Fieldays.

The inquiry will led by the Finance and Expenditure Committee with input from the Primary Production Select Committee, which will join hearings and publish its own report. It will awkwardly dovetail with the Commerce Commission’s market study into personal banking services, although it will have a broader scope including not only rural banking, but commercial banking too.

A statement from Willis hinted the government is gearing up for some firey and populist public hearings, which could, if government members do a good job, help dampen perceptions the Cabinet is slightly too close to the top end of town.

“I would expect that the inquiry would, as a matter of course, hear submissions from those banks operating in New Zealand with chairpersons and chief executives being made available for questioning,” Willis said.

Members of the Primary Production Committee, who live up to rural MPs’ reputation for bluntness, grilling banking executives and board members could make for confronting viewing.

Luxon was not the only one to come to Fieldays with an offering. Act’s David Seymour promised a review from his new Regulation Ministry into the approval process for new agricultural and horticultural products. Currently new products require the approval of the Environmental Protection Authority and New Zealand Food Safety. The review will look at ways of streamlining the process, responding to perennial rural concerns about red tape.

Largest ever Royal Commission due

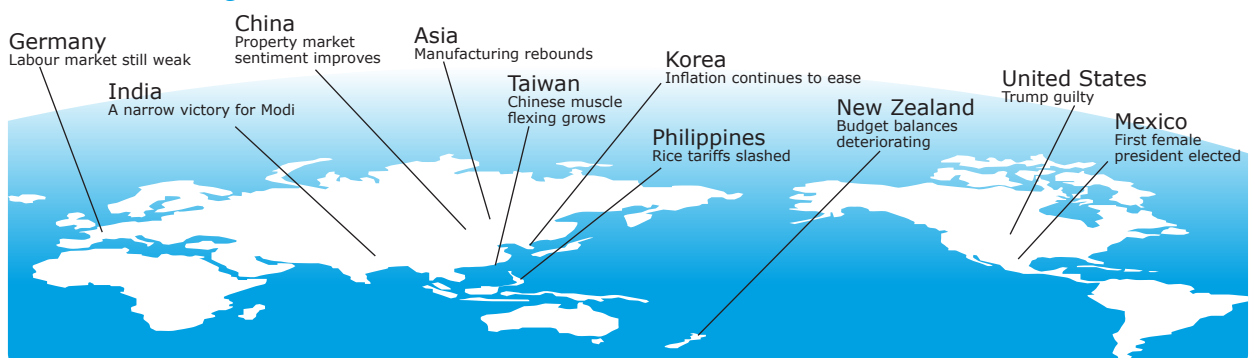
New Zealanders will be confronted by the release of the final report of the Abuse in State Care Royal Commission sometime around the end of the month, with the report due to return to the Governor General by 26 June, after which it will be tabled in the House and made public.

The Commission launched in the first 100 days of the Ardern government in Feb 2018 and has had multiple extensions and budget increases. It heard from 2923 people over 133 days, and received 1.2m documents.

Its final recommendations were delivered to Minister of Internal Affairs Brooke van Velden last month and the final report will be published shortly after it is handed to the Governor General.

The inquiry is covers abuse in care, including both state care and religious institutions, between 1950 and 1999. Its findings are likely to make sobering reading and to dominate the political news cycle for days as the nation reckons with its findings. A Parliamentary debate and formal apology from the government seem like two almost certain outcomes.

The world at a glance



The report is likely to highlight the abuse of Māori and other minorities at a time when the government is trying to shift the national conversation from race. Expect a very difficult few days, maybe weeks, of debate.

A more thorny (not to mention costly) problem for the government is what to do with the question of redress, which is almost certain to form a key plank of the Commission's recommendations.

This could be extremely expensive and unwelcome in a time of fiscal restraint. But no government wants to turn down survivors of abuse. It has, in Karen Chour, a Minister who herself suffered in state care.

The interim report, delivered in 2021, recommended the establishment of some form of redress and compensation scheme, dubbed *puretumu torowhānui*, reflecting the Commission's wish for a broader, more holistic form of redress. The last government began work on such a scheme, but never finalised it.

The interim report recommended it be funded by the Crown and by non-state institutions that also abused people in their care, like churches. Controversially, the Commission wanted to mandate faith-based organisations to eventually be a part of the scheme and to make "financial payments" to the abused.

A 2022 estimate for the lifetime cost of the scheme, including compensation payments and payments to cover the cost of support for abused people and their families, was between \$160m and \$29b. The latter figure seems extraordinarily high. It is difficult

to see any government, let alone the current one, agreeing to a scheme with such an enormous cost. A more recent figure, floated by a lawyer representing victims of state care, said \$500m might be needed for compensation alone.

The government currently has a handful of compensation schemes run by agencies like MSD, which respond to anything those particular agencies, or their antecedents might have been responsible for. These schemes have been criticised for being piecemeal and administratively onerous for applicants.

China visit highlights change

New Zealand hosted China's number 2, Premier Li Qiang this week. The visit marked the tenth anniversary of President Xi Jinping's visit and the signing of a Comprehensive Strategic Partnership.

Luxon was frank about the way the relationship had changed since then, raising a 2021 cyber attack in his bilateral, which he said was split 50-50 between areas of agreement and disagreement.

China's concerns about Aukus pillar 2 were discussed and New Zealand softened its stance on China's CPTPP ambitions from "welcoming" the ambition to simply "noting" it.

A slew of agreements were signed, including expanding visa-free access to China for short visits. Trade Minister Todd McClay announced talks would begin to upgrade the services trade with China. Services trade has languished post-Covid. Of New Zealand's \$20.9b of exports to China last year, just \$2.5b were services exports. ■

Trading partner growth

(2022-23 actual; 2024-2026 Hugo and Consensus Forecasts)

Trading partners	Weights %	GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
		2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
China	27.0	3.0	5.2	4.7	4.4	4.1	2.0	0.2	0.8	1.6	1.8
Australia	12.8	3.8	2.1	1.4	2.3	2.5	6.6	5.6	3.4	2.8	2.5
United States	12.5	1.9	2.5	2.4	1.7	2.1	8.0	4.1	3.2	2.3	2.3
Japan	5.3	1.0	1.9	0.5	1.2	0.9	2.5	3.3	2.5	1.9	1.6
Eurozone	6.2	3.4	0.4	0.6	1.4	1.5	8.4	5.4	2.3	1.9	2.0
South Korea	3.3	2.6	1.4	2.5	2.2	2.2	5.1	3.6	2.6	2.1	2.0
United Kingdom	2.2	4.3	0.1	0.5	1.1	1.6	9.1	7.3	2.5	2.2	2.2
Singapore	2.5	3.8	1.1	2.4	2.5	2.6	6.1	4.8	2.6	2.0	1.7
Hong Kong	1.6	-3.7	3.2	2.8	2.8	2.6	1.9	2.1	2.1	2.2	2.2
Taiwan	2.2	2.6	1.3	3.5	2.7	2.5	3.0	2.5	2.1	1.6	1.5
Malaysia	1.9	8.7	3.7	4.1	4.6	4.5	3.4	2.5	2.4	2.6	2.4
Indonesia	2.3	5.3	5.0	4.9	5.1	5.0	4.2	3.7	3.0	2.9	2.9
Thailand	1.8	2.5	1.9	2.7	3.3	3.1	6.1	1.2	0.8	1.7	1.8
Philippines	1.1	7.6	5.5	5.7	5.9	5.9	5.9	6.0	3.6	3.3	3.3
Vietnam	1.3	8.0	5.1	5.9	6.3	6.3	3.2	3.3	3.7	3.4	3.4
India	0.9	6.5	7.7	6.8	6.6	6.8	6.7	5.4	4.6	4.6	4.7
Canada	1.4	3.8	1.1	1.1	1.8	2.2	6.8	3.9	2.5	2.1	2.0
NZ Trading Partners	86.4	2.7	2.7	2.5	2.6	2.6	4.2	2.6	1.9	1.8	1.8
Forecasts for New Zealand											
Consensus		2.4	0.6	0.7	2.3	2.9	7.2	5.7	3.2	2.2	2.0
BNZ Forecasts		2.4	0.6	0.3	2.8	3.0	7.2	5.7	3.2	2.3	2.6
The World		2.9	2.6	2.4	2.5	2.5	7.4	5.6	4.3	3.0	3.0

DOMESTIC ECONOMY

Housing recovery slows

Green shoots seen earlier this year in the housing market have failed to blossom into a full recovery. In fact, while prices are still up marginally on a year ago, the market is showing signs of stagnation.

CoreLogic's House Price Index said the average property value fell 0.2% in May compared to April, although rose 1% to \$931,438 on the year earlier with values down 11% from the market's peak.

TradeMe reported that average asking prices tumbled 2.3% in May compared to April. TradeMe spokesperson Casey Wilde said buyers were becoming more cautious and properties were staying on the market for longer.

Wilde cautioned that "seeing prices dip slightly isn't completely unexpected heading into winter".

Things were even gloomier in the construction sector. Stats NZ data showed the seasonally adjusted volume of building work was \$8.3b in the March 2024 quarter, down 4% compared with the Dec 2023 quarter.

Building cost inflation has slowed to its lowest level in more than four years due to some cheaper material costs, reduced disruptions and a slowing construction sector. The latest QV CostBuilder said the costs of building a standard three-bedroom house in the main centres rose 0.3% in the latest quarter, with the annual rate slowing to 1.8%. The annual rate to the end of Dec last year was 4.9% with a high of near 21% in 2022.

Worldline NZ said underlying retail spending, excluding the hospitality sector, rose marginally in May. Payments on credit and debit cards reached \$2.93b in the month, up 0.8% on May 2023. Worldline said without spending at food and liquor stores, which rose 4%, card spending would have been down.

For the first time in months, the monthly Crown accounts were slightly more positive than forecast – although analysis from Treasury attributed this to largely temporary factors.

Crown accounts recorded a deficit of \$6.5b for the 10 months ended April, compared with a forecast \$8.2b. Tax revenue was \$100.3b, \$1.65b above expectations with the largest contributor being higher than forecast revenue from PIEs.

Tax collected from dividends was \$600m above forecast, as trusts adjusted ahead of coming changes to their tax rate. Government expenses were \$112.9b, \$500m lower than forecast, with less spent on housing, education, and the delay in settling a pay deal with police.

Net debt was \$174.7b, broadly in line with expectations, equating to 43.1% of GDP.

The government is seeing the effect of its public service cuts, with data from the Public Service Commission showing the first decline in public service numbers since Labour took office (bar one data release which showed distorted data thanks to Ministry of Health staff leaving the "core" public service on being transferred to Health NZ).

The data showed the total number of jobs in the core public service fell by 416 full-time equivalents (0.6%) in the March quarter.


With more than 65,000 public servants, the workforce was still 3.4% larger than it was at the end of the previous financial year in June 2023. Operating expenditure on contractors and consultants as a share of total workforce expenses also continued to track down following its peak in 2022/23.

Credit bureau Centrix said 21,700 people were behind on home loan repayments, or 1.45% of all home loans, compared to 1.48% in March. Overall consumer arrears also eased slightly to 12.52% of active borrowers, from 12.7% a month earlier with 458,000 people behind on their payments, down from 463,000.

Consumer credit demand rose 2.3% from a year ago, but vehicle finance demand fell 20%, and mortgage applications were also slightly down. Liquidations were up 19% year-on-year.

Provisional Stats NZ migration figures recorded 130,600 departures for the April 2024 year, an increase of 34% from a year ago and the highest on record for an annual period. NZ citizen migrant departures were 81,000, with 25,000 NZ citizens returning for a net 57,000 departures, which was also a record level for NZ citizens and at levels not experienced since 2012.

There were 42,200 migrant departures from NZ to Australia and the net immigration balance was -18,000. Annual net migration was 99,000 down from a peak in October at 138,000. The largest citizen group arrivals were from India, Philippines and China.

Kiwibank's first State of Savings survey said 59% of respondents had a budget, 41% had regular savings, but 30% would struggle to pay an unexpected \$500 expense. The amount being saved monthly, outside of Kiwisaver, was generally less than \$100 for four out of 10 respondents. The survey of 1,046 people was conducted by Talbot Mills the week before the Budget. 

Primary Sector

Seeka reported a 44% increase in the number of class 1 kiwifruit trays packed this harvest season with 43m trays compared to 29.8m last year. It said the increased number of trays was a sign of a return to profitability, but it was too early to provide reliable financial guidance.

South Canterbury dairy processor **Oceania Dairy** posted a loss of \$19.1m in the 12 months to the end of Dec compared to a loss of \$3.9m in the year prior. Revenue fell 14% to \$376.2m, down from \$440.7m in 2022.

Waikato medical cannabis company **Ora Pharm** said the six months taken to receive regulatory approval to export 100 kilograms of dried cannabis to Australia shows the system is broken.

NZ Sugar Company reported income of \$19.6m in the year to Dec 2023 compared with \$20m in 2022. Revenue grew 16.7% to \$313m but the cost of sales was up 19.9% to \$272m.

Synlait confirmed a significant majority of its farmer suppliers had given notice they wanted to leave and that it had given up trying to sell its Dairyworks cheese business. Synlait Milk's major shareholder also dismissed **Ruth Richardson** and replaced her with **Leon Fung** as it dealt with its debt issues. The company has agreed to borrow \$130m from major shareholder **Bright Dairy** to cover a looming debt repayment and had sought waivers from its bankers before it breached banking covenants. Synlait was also working with Bright Dairy on the terms of a capital raise needed to secure the future of the company.

Energy and resources

Lodestone Energy is to launch a new capital raise this year to fund the second phase of its solar farm construction programme. It has hired Forsyth Barr in NZ and Barrenjoey in Australia to run the raise for an undisclosed sum to develop eight more solar farms.

The government abandoned plans to directly procure and store 70m litres of reserve diesel as it assesses security of supply for liquid fuels.

The **Commerce Commission** said ahead of the removal of the Auckland regional fuel tax that fuel companies were too quick to raise prices and too slow to lower them in response to cost shifts.

Meridian Energy called on its option for the Tiwai Pt aluminium smelter to reduce its electricity demand as southern hydro lake levels continue to fall.

Transpower said it received interest from other parties in taking over its unwanted subsidiary emsTradepoint, which runs the only wholesale gas

trading platform in the country.

NZ Oil & Gas acquired an additional 25% equity interest in the Mereenie licences, located in Australia's Northern Territory, taking its stake to 50%.

Mercury Energy confirmed it is going ahead with a \$486m expansion of the Kaiwera Downs wind farm near Gore, after signing a long-term power supply agreement with **NZ Aluminium Smelters**. Mercury also said it was close to a final investment decision on its Kaiwaikawe wind farm near Dargaville.

Banking, finance and insurance

Perpetual Guardian Group acquired **Castle Point Funds Management** for an undisclosed sum to expand its retail market presence. Castle Point has \$300m under management across three fund options.

Telecommunications, media and entertainment

SkyCity now expects underlying group ebitda to be between \$280m and \$285m, while underlying npat is projected to be between \$120m and \$125m. This is a decrease from the previous guidance of \$290m to \$310m for underlying ebitda, and \$125m to \$135m for underlying npat. As a result, the board suspended dividends for the second half of 2024 and the 2025 financial year.

Wholesale and retail

Foodstuffs proposal to merge its North and South Island divisions were supported by the co-ops' shareholders. The merger is still subject to Commerce Commission and High Court approval.

Godfreys moved into liquidation owing \$15.2m after being in voluntary administrators since late Jan.

Tesla NZ's annual accounts for the year to Dec 2023 said revenue fell 25% to \$373.7m (\$499.5m in 2022) after rapidly increasing from \$76.5m in 2019. Net profit after tax fell 65.5% from \$8.08m in 2022 to \$2.8m in 2023.

Transport

The board of **Auckland Transport** is in talks with the agency's chief executive, **Dean Kimpton**, about his tenure. Kimpton started in the role in April 2023 on an 18-month fixed-term contract, which expires on Sept 30 this year. Kimpton is understood to want to stay in the role after September.

Manufacturing and construction

Fletcher Building's credit rating was downgraded by Moody's Ratings from Baa2 to Baa3, with a negative outlook.

CORPORATE ROUND-UP**Courts, legal and regulation**

The **Financial Markets Authority** filed civil proceedings against KiwiSaver fund manager **Booster Investment Management**, and some of its directors, former directors and senior managers alleging investments in related wine businesses, gained an advantage with failure to disclose conflicts of interest.

The **Financial Markets Authority** is consulting on potential changes to the standard conditions imposed on **Derivative Issuer licences**.

The **Commerce Commission** filed criminal charges against **Kiwibank** alleging systemic breaches of the Fair Trading Act over several years. The breaches resulted in more than \$7m being incorrectly charged to over 36,000 customers for fees and interest rates in relation to home loans, credit cards and overdrafts.

SkyCity said The High Court of Australia had granted SkyCity Adelaide special leave to appeal a judgment related to the South Australian casino duty dispute, which if successful could reduce the penalty interest of around A\$22.8m. The Federal Court also approved its settlement with Australian regulators to pay a penalty of \$67m in relation to breaches of anti-money laundering laws. An independent review into the suitability of its Adelaide casino licence also resumed following the completion of the court case. SkyCity also faces the threat of a temporary suspension of its NZ casino licence for breaches of its host responsibility code.

Technology and IT

US-listed giant **Ecolab** took a more than 9% stake in Hawke's Bay fast-food software company **Fingermark**.

Being AI spent \$1.62m to acquire a 50% stake in Melbourne AI retailer startup **Tymestack**.

Service industries and healthcare

A **Berridge Spencer** investment vehicle spent more than \$3.6m for 10.6% of **Radius Residential Care** at \$0.12 a share.

Tourism

Chinese Premier Li Qiang said China would take steps to implement unilateral visa free exemption for New Zealand travellers on short stays to China.

Property

Precinct Properties bought land in Mount Eden for an

apartment block and on Queen Street for a downtown student accommodation complex. Precinct also announced it would acquire the remaining 50% stake in its residential management business, PPRL, the joint venture established with Lamont & Co in 2022.

Corporate actions

Fletcher Building announced agreements with its lenders to refinance a \$728.37m facility that was scheduled to expire in Oct 2025

Good Spirits Hospitality declared a special interim dividend of 0.972036 cents per share amounting to \$561,200 ahead of it being delisted and liquidated.

Capital markets

Commerce Minister **Andrew Bayly** published an op-ed promising to "look at market settings and investor needs" and to "make sure our capital markets match the strong demand for finance, without unnecessary barriers". He said he wanted to deepen both equity and debt markets and increase the number of businesses listing on the NZX, adding he believed compliance costs and regulation were stopping small start-ups from doing so.

People

Mercury's Vince Hawkworth will retire as chief executive on Aug 31, to be replaced by the company's current executive general manager generation, **Stew Hamilton**.

Sky announced that TVNZ's chief digital officer **Kym Niblock** would join it as chief digital and technology officer in late 2024.

Andrew McLean was appointed to lead **Ebos Group's** medical technology division as the current chief executive, **Matt Muscio**, transitions into a non-executive director role. McLean will step into the role from Aug 5 and Muscio will move out from Jan 1 2025.

Alex Bacchus has become acting chief investment officer at the **Guardians of NZ Superannuation**. The current CIO **Stephen Gilmore**, departs this month to take up the equivalent position at CalPERS, the largest pension plan in the US.

Debbie Birch will stand down as a director of **Tourism Holdings** at the annual meeting in Oct. 