UNIVERSITY OF AUCKLAND
INVESTMENT
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INVESTMENT BULLETIN

STUDENT WRITERS · STUDENT OPINIONS

HOW CLOSE IS THE US TO ECONOMIC ARMAGEDDON?

BY SKIP GEE

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STUDENTS SLACKING AT SCHOOL

SOMETHING NEEDS TO CHANGE - AND NOT JUST THE NAME.

INVESTING IN A NEW ZEALAND RESIDENCY

& FROM OUR PARTNERS:

MYOB COLUMN: THE 2023 NEW ZEALAND BUDGET

BANKING PANIC CROSS THE ATLANTIC

22 MAY 2023 | ISSUE NO.49

SUPPORTED BY: myob & FORSYTH BARR

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Contents

An Update from the fund

A RUNDOWN OF THIS WEEKS PITCHES WRITTEN BY OUR INVESTMENT COMMITTEE ANALYSTS

AFT Pharmaceutical (AFT:NZX)

AFT Pharmaceutical (AFT:NZX) is a profitable, founder-led pharmaceutical company that develops, licenses, distributes and sells a wide range of pharmaceutical products globally. With an extensive portfolio of over 150 proprietary products spanning pain management, eyecare, vitamins, allergy and more, their flagship compound analgesic, Maxigesic, stands out as their most successful offering.

While AFT Pharmaceuticals primarily utilizes a direct sales model, their long-term strategy involves the active expansion of their out-licensing capabilities, particularly in lucrative markets like the United States. This out licensing approach minimizes risk, requires minimal capital investment, and offers significant potential through royalties if the product adoption is successful.

Furthermore, AFT Pharmaceuticals has positioned itself favourably amidst the global shift away from opioid-based medications by offering a superior product, addressing the growing demand for alternative pain management solutions.

The Investment Committee voted in favour of passing the stock to the valuation stage at a vote of 6 Yes, 5 No. Wynton Brick and Rohit Guthpe will conduct the valuation.

"Empowering global healthcare with diverse and innovative solutions."

Carsales.com (CAR:ASX)

Carsales.com (CAR:ASX) is an online automotive marketplace that facilitates car (as well as non-auto, e.g. Bikes, Caravans) purchases between private sellers and dealers. They are the market leading platform in Australia and have a growing presence in other geographic regions such as Korea, Brazil, Chile, Mexico, and the United States.

One of the major factors concerning the industry was rising interest rates that are increasing the cost of financing, and the recent semiconductor shortages/supply chain disruptions that have increased the prices of used and new cars. However, with forecasts showing that interest rate hikes have peaked in Carsales' markets, and car prices decreasing, there was significant upside potential that would arise buy purchasing the stock now, as demand grows to meet increased supply.

The major reason for the buy recommendation on the stock was the recent acquisition of Trader Interactive, the leading non-automotive marketplace (sells RVs, Boats etc.) in the United States. We saw major upside in the diversification of Carsales' revenues as well as the integration of it's market leading technology aiding dynamic pricing, instant offer and Redbook Inspect improving the overall marketplace experience.

The Investment Committee voted overwhelming in favour of passing Carsales.com to the valuation phase with a vote of 11 Yes, 3 No. Trinanyan Krishnan and Isabelle Lee will conduct the valuation

"A company that is in the forefront of automotive marketplace innovation that is thriving despite adverse macroeconomic conditions"

carsales

GLOBAL

How close is the US to economic Armageddon?

BY SKIP GEE

“Unprecedented economic and financial storm,” were the words chosen by US treasury secretary, Janet Yellen, when asked to give her thoughts on what would come to pass should the US default. On the one hand, they may be ignored as the ramblings of another paranoid economist trying to have their Burry Big Short moment.

On the other, they may not. Before long we may find ourselves watching Bourdain and Robbie explain the US debt ceiling and bond market. In the interest of expediting this process somewhat, I can provide the basics – albeit not in a bubble bath. The US debt ceiling is a limit placed on the amount of money the US can borrow to pay for their expenses. It is a hard cap that can only be changed by Congress and as of 2021, currently sits at 31.4 trillion. Congress is not at odds with raising the limit and has in fact done so 78 times since 1960. So, where is the issue?

When White House and Congress are united under the same party, it is in the interests of both sides to raise the debt ceiling. When these functions are split however, Congress may wish to hold the White House ransom and force through its own political agenda before agreeing to the raise.

Ultimately, regardless of political faction, an elevation of the ceiling is seen as a must – lest the country and global economy fall into chaos.

We are in the grips of one such occasion with Biden calling for a raise without conditions and House Speaker McCarthy calling for slashes in spending that would eliminate much of what Biden has championed during his tenure. Throughout history there have been similar instances of Congress and White House staunchly protecting their own interests. The standoff between House Speaker Boehner and Obama springs to mind – a fight which was decided just 72 hours before the government would be forced to default. This time round, the stakes are just as high and the parties just as incompatible.

In the present situation there are only two possible outcomes. The first would see Biden or McCarthy relent on their demands and put the safety of the nation first. The second would see the pair stoically refuse to cooperate and crash headlong in a game of chicken that could give the Cuban Missile Crisis a run for money.

Personally, I try to be optimistic. However, this would not be a very interesting article if it spouted the likelihood of disaster and yet failed to speculate on what might happen if it did actually unfold. Furthermore, rating agency Standard & Poor's afforded the nation's debt a downgraded rating for the first time ever during the 2011 saga. So, while unlikely, it did not venture outside the realms of imagination for those charged with advising people on where to invest their life savings. Yes, the irony of that last sentence is not lost on me given the rating Standard & Poor's believed subprime securities ought to be prior to 2008. Yet, it is also worth noting that early estimations show the US could run out of money to pay its bills by the 1st of June, so the clock is ticking for a compromise.

The US has never before failed to make payments on their bills. In doing so now, they would be drastically undermining investors' confidence in the dollar. The effect of this is not merely limited to the US economy either; more than 65 countries currently peg their currency to the US. So, aside from anything else, a failure to pay their bills would send a third of the world into a currency crisis.

It would be a safer bet than US treasuries that the reduction in investor confidence and tanking of the currency would lead to a recession for the US. "Don't worry about your stock portfolio, worry about your job," was the sentiment given by Moody's Analytics' Mark Zandi. Zillow's analysis is similarly bleak; predicting an interest rate spike of up to 8.4% and an increase in the unemployment rate to 8.3% from its current rate of 3.4%. Higher interest rates would tank the housing market in its already fragile state.

The most obvious impact would be the US failing to make payments to internal services. This in itself would be extremely harmful as the US would probably have to prioritise the funding of some services over others. Would you cut funding for social securities, Medicare, veteran benefits, or national defence? This could be the question posed to Biden in a few week's time. Knowing the US, I personally don't see national defence being downgraded in the order of priorities anytime soon.

In terms of what else the US could do if faced by an unyielding debt ceiling, the options do extend past prioritisation. The idea of a trillion dollar commemorative coin printed by the Treasury has been floated around ever since the Boehner-Obama spat. The coin would in theory underpin the US economy and allow it to continue making payments without falling into a deep recession. It would also cause inflation equivalent to a \$3000 tax on every American, so there is that snag.

There is also the 14th Amendment which states boldly; US government debt "shall not be questioned". Through this the US may attempt to void the debt ceiling due to it's inconsistency with the constitution. This is a more obvious work-around but would still require a favourable court decision to be upheld. That is, a favourable court decision from a Supreme Court with a conservative pro-McCarthy majority. Besides, court proceedings take time, and this particular solution may be held up in court far past D-Day on the 1st of June.

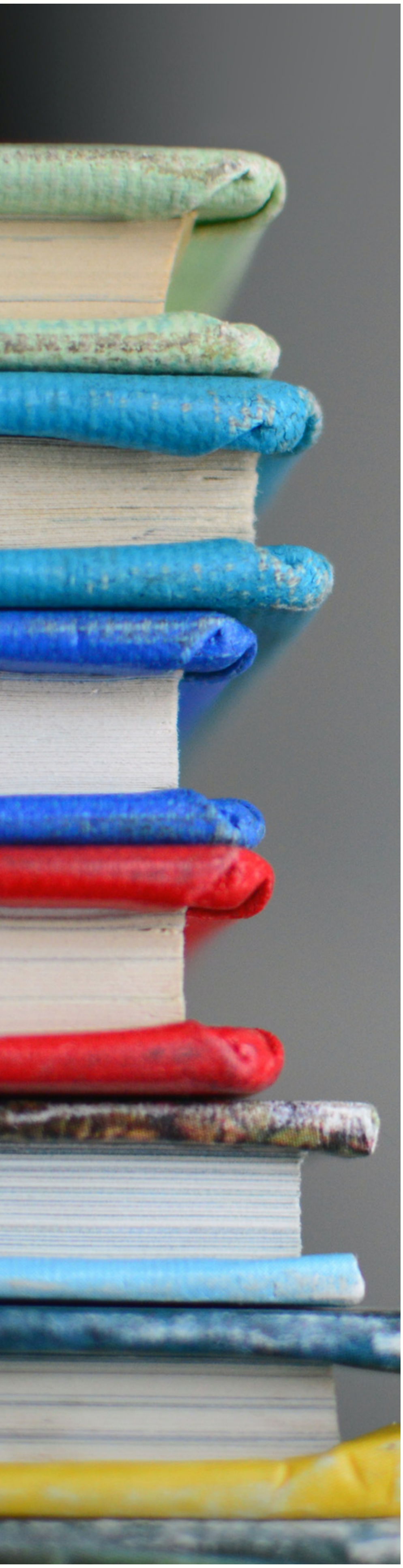
Yellen herself has already branded the above two solutions as 'gimmicky' and given the danger of an adverse legal challenge to either, I can see why. The government will almost certainly favour prioritisation meaning a return to work for pensioners, veterans, and terminally ill patients alike. US treasury bonds, once seen as a haven for investors and a standard for international currencies, will be downgraded and alternatives sought. Regardless of what the 14th Amendment says, there will be questions hurled at the US for its poor handling of government debt from inside and out.

GLOBAL

Standards Slipping, Students Slacking at school

BY RILEY BOGARD-ALLAN

Minister of Finance Grant Robertson’s sixth budget includes significant investment into education. Among other pledges, $300 million is being put towards new classrooms and a further $100 million for other education infrastructure; the healthy school lunches programme will continue to feed hundreds of thousands of kiwi kids. But of equal significance was the revelation that only half of all primary and secondary school students regularly attended school in term four last year. Not only does it suggest that much of the government's funding is headed for the drain, there are also grave implications for the readiness and capability of the next generation.



Attendance at school is influenced by many factors, but none more so than a child's home life. It is NOT just a case of students slacking off. Fundamentally, it starts with the parents. If no emphasis is placed on school, then the opportunities it has to offer - both inside and outside the classroom - are passed over. As such,a support structure is hugely important. But often the attitude of parents is a product of their financial situation, both in their own youth and in the present. Poverty sees even the most promising kids forgoing their education in order to provide for themselves or other family members, like younger siblings. The lack of a decent education means, on average, they will go on to earn less. In turn, their own children struggle and the cycle repeats itself. When generations of families have lived this way, feelings of resignation and resentment permeate and society deteriorates.

Governments are ultimately responsible for market failures and are charged with dealing to them. One initiative the New Zealand government is proposing is the creation of 82 'attendance officer' roles in an effort to address truancy. These are contractors employed by central government who will presumably work with schools and other government agencies like MSD to lift attendance. A similar programme, phased out in the early 2010s, saw truancy officers with boots on the ground, physically picking kids up and delivering them to school. But since the initial announcement in February, news outlets have reported the Ministry of Education has only filled seven of the eighty-two positions. Meanwhile, thousands of kids continue to go without a proper education.

Falling attendance has indeed translated into lower achievement across the board. NCEA level 1 achievement for year 11 students dropped 5% last year, while level 2 achievement amongst year twelves and level 3 achievement in year 13 fell 3% and 2.3% respectively. The numbers do not lie, and it can only be concluded that education in New Zealand is on the decline.

Attendance aside, it is well worth running a ruler over educational standards in New Zealand. NCEA level 1 replaced School Cert in 2002, with level 2 and 3 following in the proceeding two years. Now, two decades later, the experiment has been deemed a failure. The government is undertaking to reform NCEA, merging aspects of the curriculum into larger achievement standards while reducing the number of credits needed to pass, at least for level 1. They are also expanding the external assessments available with a view to balance the workload of both students and teachers between internals and externals. The merit of standardised testing continues to be debated - personally, I live for exam season - but certainly this cracks down on students' ability to stack internals and avoid exams, in what was very much a 'get-out-of-jail-free' tactic. The great irony is that these students are, on average, worse off in the long run. But here the blame lies with the system. If it is not hard to pass, it is extremely hard to fail.

Consultations and development of the changes to NCEA have spanned years, but still some schools are unhappy. St Cuthbert's College, one of the country's top schools, will replace NCEA level 1 - at present it is optional for year 11 students, a testament to the government's lack of conviction in the qualification - for their own year 11 diploma. Principal Justine Mahon said “we don't think [level 1] provides sufficient, in-depth learning for our students”. Her comments reflect the views of many educators around the country.

Another dubious reform is the ‘achieved endorsement’ which, like merit and excellence endorsements, recognises a student gaining a set number of credits at the prescribed level. The achieved endorsement qualification would sit in between merit endorsed and passing level one itself. In the middle of an effort to raise standards, to conceive such an ordinary award is hugely counterproductive. Potentially the only benefit would be that it spurs recipients on, motivating them to reach even greater heights in level two or three. But in reality, it is not an award to be taken seriously and those who have been through NCEA already would testify as much. Passing and achieving are one and the same and no amount of rhetoric could change this.

There are, of course, alternative curriculums in the form of Cambridge and International Baccalaureate, for example. Though NCEA is New Zealand's main secondary school qualification, a number of schools offer CIE and IB. They are generally considered more rigorous than NCEA and are better recognised internationally. This tripartite system is yet another quirk of New Zealand education. It means our kids are receiving wholly different education to one another. It is difficult to discern the effects of this, but certainly the presence of CIE and IB further speak to the lacklustre state of NCEA. If kiwi kids are to do better, the system they operate under must be better. The government needs to move forward with reforms, and quick.

Covid-19 left a lasting impact on New Zealand's school system. But it does not explain, nor excuse, the fact that today many kiwi kids are missing school. One hopes the government's 82 attendance officers will see to a long-awaited rise in attendance once again. And when students do arrive at school, educational standards need to lift. We should be extending our kids, not helping them limp to the bare minimum. Education has lifted many people out of the poverty that can have such long-lasting, generational impacts. If one thing is clear, the government again has its work cut out to ensure our national framework receives the drastic update it and hundreds of thousands of kids deserves.

GLOBAL

Something needs to change - and not just the name.

BY ANISTON INGER-HOLLAND

Consider this scenario: you have a serious medical condition. You want to book an appointment with your specialist after experiencing new, concerning symptoms. But you're told you cannot see a specialist until July. If you have concerns, contact your GP. Oh, there's a month-long waiting list for your GP? Talk to a nurse, who - despite how valuable they are - has none of the skills required to treat your very specialised disease. This is an experience that many New Zealanders are beginning to have. And it's not acceptable.

Out of frustration, I wrote that introduction on the bus to Greenlane Clinical Centre on a Monday. I thought my experience wasn't going to get worse, and that I would write an article on the health system to bring back into discussion the terrible statistics. After all, wasn't the new health system going to solve all our problems? Or was it merely a bandaid on a gaping wound?

Te Whatu Ora Health New Zealand is the new national public health agency which was established in July 2022 to replace the country's 20 district health boards. It was another reform designed to merge a network of institutions, with the aim of creating a "more equitable, accessible, cohesive and people-centred system that will improve the health and wellbeing of all New Zealanders." It has five key areas where "change will make the biggest difference." Firstly, there is an emphasis on Maori which is designed to promote better health outcomes for Maori, with the use of the Maori Health Authority. Secondly, there is a focus on people getting the healthcare they need "closer to home" and health services will better reflect community needs and preferences. Thirdly, they assert that "quality emergency or specialist care will be available when people need it." Fourthly, digital technology will be utilised in better ways to provide services in peoples' homes, hapori and communities. Lastly, Te Whatua Ora says that they will be able to better plan for New Zealand's future health workforce requirements and provide training as well as support development so "healthcare workers will always have the skills they need." This sounds great on paper, but nearly a year on, how is New Zealand's health system actually tracking?

To be clear, I am not going to use this piece to scrutinise what the flaws are of removing our district health board in favour of a national health system. The new system is here to stay. Instead, the focus of this article is to look at how the system is working now. You may think that it's only been ten months, it can't solve all our problems - and that's true. But the wheels have been turning for long enough to start investigating what the preliminary findings are. I will also note that Covid took a significant toll on our health system in the form of cancelled surgeries, staff shortages and appointment backlogs.

So, let's look at some data...

Well, the publication of data has been a scandal in itself. In April it was reported that the emergency department figures were blatantly incorrect. A key target for Te Whatua Ora is that 95% of people being moved on from an emergency department within six hours of arrival. This, in my opinion, is still an underwhelming goal but we have to start somewhere. It was originally reported that in December 2022, Wairarapa had 10,320 people through its emergency department. In reality, it was only 1470. Northland's original figures said only 318 people had been through its emergency department, when it was actually 5,535, The original figures also showed that, in relation to Te Whatua Ora's target of 95% of patients leaving the emergency department within six hours, they hit 100%. The reality was actually 79%. For Southland, the original numbers stated they had nearly reached the target at 93% when the reality was only 70%. On this target, Mid Central was the worst performing region at 45% of people spending less than six hours in Palmerston North Hospital. This is unacceptable. This data also only includes patients who have been admitted, transferred or discharged. It does not include patients who leave because of long wait times. I was at Greenlane for five and a half hours before I saw a doctor, but one man who had arrived long before me left without being seen because he had already waited for too long. He hoped to try again the next morning. A woman died in June 2022 after first arriving at Middlemore Hospital's emergency department, where she was told it would be hours before she would be seen. She then left and returned in an ambulance a few hours later with a brain haemorrhage. She died the following day.

This cannot become commonplace in New Zealand.

On other statistics, in December 2022, nationally 27.7% of patients were waiting more than four months for their first specialist appointment. This was 43,893 people. Te Whatua Ora's goal is "to have no patients waiting more than 4 months for a first specialist appointment." Yikes.

In better news, as of December 2022, nationally 87.8% of patients received their first cancer treatment within 31 days. In the Central regions, this was 90.9% with Hawkes Bay and Hutt Valley hitting 100%. I was unable to find the target goal but in 2019, there was a target that 90% of suspected cancer patients started treatment within 62 days of their referral. Therefore, the national figure of 87.8% within 31 days is great. However, in South Canterbury, this metric was only at 50%. This has come under fire with Te Whatua Ora apologising for significant delays. One evident display of failure came when a bowel cancer patient was told there was a 12 week wait to see an oncologist, after he had been given six to eight weeks to live. In addition, Te Whatua Ora recently apologised after it found that at least ten patients who faced breast screening delays meant they had more advanced cancer or required more intensive treatment. Evidently, there is still more work to be done.

Mental health wait times (reported as the percentage of young people under 25 who were referred and seen by a specialist mental health service within three weeks) sat at 70.5% for the 12 month period between December 2021 and November 2022 for all patients nationally. Interestingly, the percentage of Maori being seen beat the total number of patients seen in every region with the exception of Southern and West Coast. Similarly, Pacific patients were also higher than the total with the exception of three regions - Whanganui, Lakes District and Nelson Marlborough. Yet Pacific patients were seen 100% in Tarawhiti, Taranaki and Waikato - the only reported demographic to be seen 100% of the time in any region. Nationally at December 2022, 77.1% of Maori mental health patients under 25 were seen within three weeks and 81.7% of Pasifika. For "Other" groups, which excludes Maori and Pasifika, this was only at 66.2%. Therefore, a breakdown of those affected groups would be beneficial but it is great to see positive outcomes for Maori and Pasifika. However, it is still not satisfactory that 30% of patients nationally who are very mentally vulnerable are not being seen within 3 weeks. These statistics also do not look at patients over the age of 25, which is concerning given the negative mental health statistics for older age groups.

This is peoples' health we are talking about. When you cannot access timely care in an emergency department - essentially your last resort in a health system where you cannot get an appointment with your GP - what happens? People are dying. Or their health outcomes are becoming even worse, which is costly to them and the health system. Something needs to change and this time it cannot be just the name.

GLOBAL

Investing in a New Zealand Residency

BY SHYAM PRASAD-JONES

In September last year, the New Zealand Government introduced a new investor visa plan. The plan is designed to attract experienced and high-value investors to our shores and help build internationally successful companies. The new plan uses a weighting system and incentivises investor migrants to invest directly in New Zealand's high-growth potential investment opportunities.

At a top level, the investor visa plan requires potential suitors to invest between NZ$5m and NZ$15m across three years and maintain the investment for a further fourth year. The investor must spend around four months in New Zealand across the four-year conditional period. There's also now an English language test requirement. Acceptable investment classes carry different weightings towards the NZ$15m threshold. Direct investments into private businesses (e.g. NZ start-ups) hold the highest weighting at 3x, meaning an investor could invest NZ$5m into NZ businesses to satisfy the required investment amount. Investments into private equity and venture capital funds are weighted at 2x. While investments into listed equities and philanthropy have no up weighting, each capped at 50% of the total required investment. Meaning an investor could satisfy the requirements by investing NZ$7.5m into listed equities and philanthropic causes, respectively.

Importantly, property is not considered part of an acceptable investment class. The official stance is that an investor cannot invest into a business or managed fund (where more than 20% of its portfolio is in such entities) which is engaged in the acquisition, development, ownership, leasing, management and operation of property assets. The caveat is if the property investment contributes to the government's economic strategy and/or the underlying business model is not solely based on real estate or property but delivers additional value-add.

Alarm bells may be ringing at this backdoor, potentially allowing offshore money to pour into our property market. However, the overall scheme appears heavily geared to encourage productive investment into New Zealand businesses with a fairly narrow view of acceptable property investments.

The infamous Megaupload founder, Kim Dotcom, was granted NZ residency under the previous scheme, which allowed him to buy NZ$10m in government bonds to satisfy the investment requirement. At the time of his application in 2010, the immigration officer said that Kim Dotcom "has already made a substantial economic contribution to New Zealand through his spending here and will make further investments. I consider that these benefits and potential benefits outweigh the negative aspects flowing from the applicant's convictions." The backdrop being Kim Dotcom had made a number of charitable contributions and was planning to sponsor a NZ$600,000 fireworks show in Auckland. He also set a deadline for officials to decide on his application; otherwise, he would go to Australia or Canada. The following year the FBI asked New Zealand to assist with an investigation into the Megaupload founder. In true Kim Dotcom style, his time in New Zealand has been littered with political trolling, campaign funding and crying wolf at every corner. Most importantly, it has not been a time of productive investment into Kiwi ingenuity. It showed the rest of New Zealand that money talks and talks loud.

Peter Thiel, the billionaire co-founder of Paypal, was granted a New Zealand citizenship in 2011. His path to citizenship was shrouded in secrecy. Immigration lawyers and ex-MPs say Thiel's citizenship process is rare, typically used for athletes wanting to represent NZ and Cold War defectors. At the same time, Xero founder Rod Drury and Trade Me founder Sam Morgan wrote letters endorsing his application, stating his expertise and ability to connect New Zealand businesses to a global network as strong reasons for granting his residency. Thiel did make investments into Xero and other Kiwi businesses alongside investments in prime real estate, including a 477-acre former sheep station. He has no intention of living here, but should America or the rest of the world descend into some form of chaos, Peter Theil, alongside many others, have bolthole properties, often in Queenstown, with underground bunkers.

The list of famous and infamous rich listers who have benefited from the investor visa plan varies from shady billionaires to tech company founders and high-profile Hollywood stars. Mikhail Khimich, the Russian Oligarch who owned the Waiwera Thermal Resort and Waiwera Water sites on the Northern outskirts of Auckland, was granted residency in 2013. Both companies fell into liquidation, and the previously popular Waiwera Thermal Resorts is slowly rotting away in a decrepit state. Mikhail Khimich reportedly died in Russia in 2022 from Covid. Famous director James Cameron became a resident in 2012 after paying over NZ$20m for two rural properties in Wairarapa. In 2021, Cameron revealed he and his wife were living permanently in New Zealand. The couple are known to be significant contributors to the New Zealand film and tourism industry. Google billionaire Larry Page was granted residency in 2021, three months after applying in late 2020. It is believed he travelled here on a medevac flight from Fiji with his son, as the child needed medical treatment. Significant eyebrows were raised, given New Zealand's borders were closed at the time.

A similar scheme in the UK, known as the 'golden visa', was recently scrapped to help stop the corrupt elite who threaten the UK's national security. The UK has a notorious reputation for being the home to dirty Russian Oligarch money, who have a path to residency through a 'golden visa' allowing them to legitimise wealth and peddle dirty money through the streets of London. Given the recent developments with Russia's invasion or 'military operation' in Ukraine, this change in UK policy is no surprise.

Since the system was overhauled in New Zealand, only 15 investor visa applications have been made. New Zealand Trade and Enterprise (NZTE), which is marketing and administering the new visa has faced criticism for not being ready when the new scheme was launched. NZTE set up an advisory panel to help decide what would meet the acceptable investment criteria, despite the new scheme being active since September last year, the board only met for the first time earlier this year. There is concern the overhaul has made the process too strict, placing an onerous burden on wealthy investors when trying to gain residency in New Zealand. The previous scheme attracted NZ$12 billion over the past decade. However, much of it was passive investments like bonds.

My view? A path to residency for foreign investors in New Zealand should require an active buy-in. I do not see the value in having wealthy foreign investors stockpile land and do nothing with it. Quality over quantity is what we need. New Zealand is home to a rich start-up culture that has previously given rise to global success, like Xero and Trade Me. To continue and accelerate this success, attracting active investors is vital. They bring key contacts to overseas markets, a wealth of knowledge and perhaps the stamp of international credibility. That isn't to say New Zealand companies need foreign investment and expertise to succeed, but I would be surprised if start-ups strapped for cash would turn down money from a wealthy and experienced investor.

Further, New Zealand has long struggled with understanding and improving our productivity deficit when compared to our international peers. Our comparatively high levels of hours worked compared to output produced and low levels of capital per worker are often touted as significant reasons for our poor levels of productivity. The new investor visa scheme actively encourages money to be invested productively, improving our capital flows. Such investments help build an ecosystem that feeds on itself. In the short and long term, there is great value in attracting active investment into New Zealand, especially when these investments go towards frontier industries and back Kiwi ingenuity.

While the scheme isn't necessarily fair considering the time it takes for anyone else to get residency in New Zealand. Perhaps it is a necessary evil. My belief is that we want quality over quantity. Changing the investor scheme to attract more quality and less quantity will lead to better outcomes for New Zealand. While only time will tell how successful this new scheme will be, its intentions speak to a long-term plan which encourages productive investment in this country. A long-term plan which I believe is positive and should be more widely encouraged.

MYOB Column

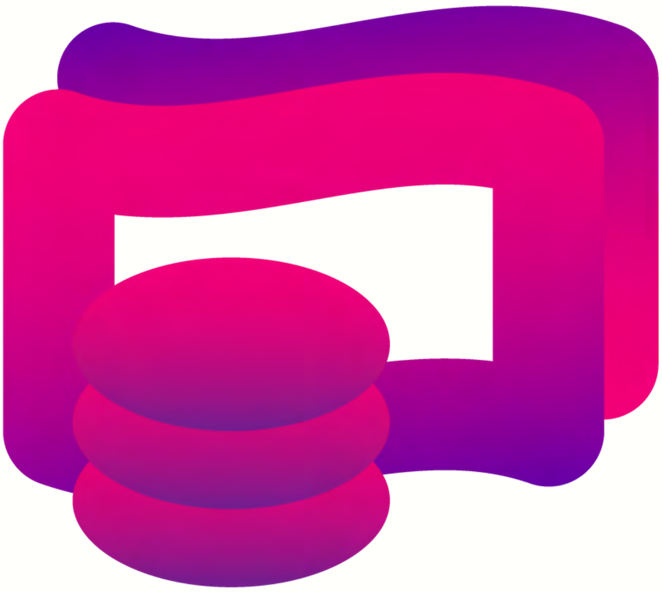
What the 2023 New Zealand Budget means for you

The New Zealand Government's 2023 Wellbeing Budget – 'Support for today, building for tomorrow' – has promised investment focused on relief around immediate financial pressures impacting New Zealanders, boosting infrastructure, and building a resilient, high-wage economy.

Under its operating allowance of $4.8bn, however, today's announcements offer little instant reprieve for SMEs and businesses weary from battling a challenging economic climate.

However, targeted support for tourism, growing the local talent pipeline with the extension of the Apprenticeship Boost initiative, rebates for businesses in the gaming sector, and investment in growing digital skills and capability in business, were the main investments revealed for the business sector.

Read the full article from the MYOB Team here



Forsyth Barr FOCUS

Banking Tremors Cross the Atlantic

Ructions across the global banking sector has spread to Europe. On the heels of the collapse of Silicon Valley Bank and Signature Bank, the biggest US bank failures since the Global Financial Crisis, Credit Suisse has been rescued by Swiss rival UBS. The failure of one of the world's 30 systemically important banks is both remarkable and disconcerting. That said, all the banks that have failed in recent weeks faced idiosyncratic issues that are not widespread across the industry. Credit Suisse had been plagued by a series of scandals which had undermined customer confidence in the bank. While further failures are possible, even likely, we do not expect the crisis will become systemic across the industry.

Read the full article here.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