BNZ Weekly Overview

ISSN 2253-3672

7 February 2013

Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy and its implications in a language they can understand.

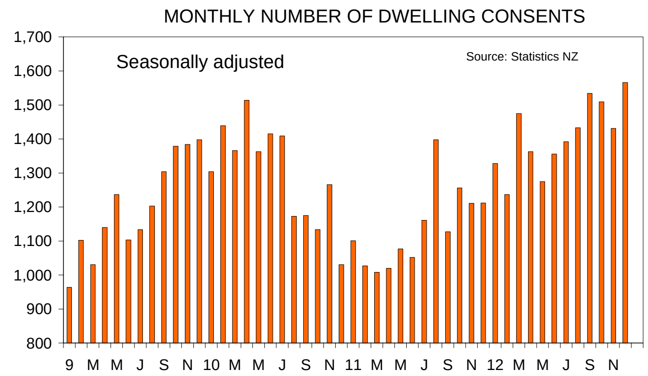
First Survey For 2013

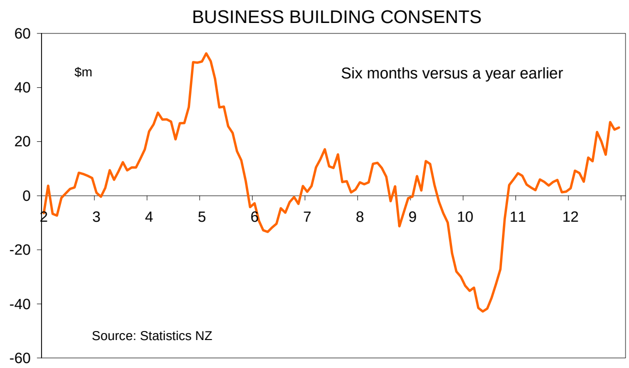
Welcome to the first Thursday of February and this week we are running our monthly BNZ Confidence Survey which is now into its 8th year. If you have not already done so please feel free to click on the link below, tick whether you think the economy will be in better or worse shape in a year's time, and pen a sentence on the current state of affairs in your particular sector. The results will be released early next week.

http://feedback.bnz.co.nz/surveys/Fi8Go-yFGEu0bwjPu5Waww

The Growth Situation

If we look at the most up to date data in hand we can see that growth in the New Zealand economy was accelerating going into the end of 2012 even though GDP only rose by 0.3% in the June quarter and 0.2% in the September quarter. The volume of construction work rose 10% during the September quarter and may have achieved a similar result in the December quarter with growth continuing into this year given the upward trend in the value of consents issued for building work from the middle of last year. Non-residential consent values rose 9.4% in the second half of last year compared with a year earlier and residential consent numbers were up 10.3% on the first half of the year seasonally adjusted.



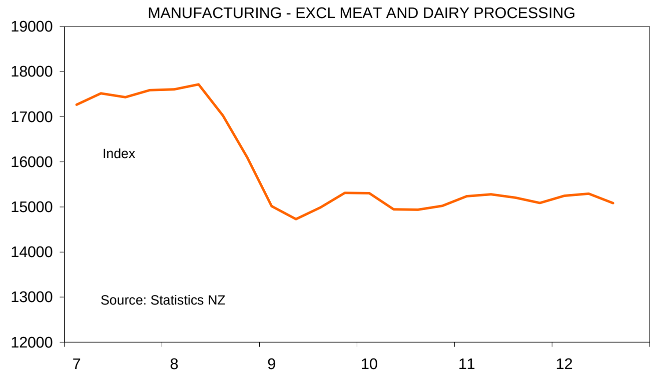


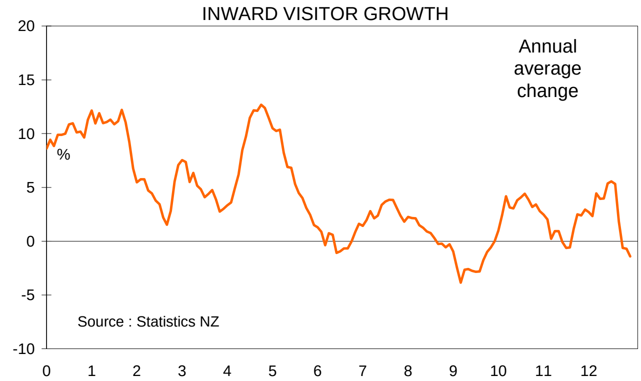
Construction activity has over the past ten years on average accounted for about 7.5% of GDP so a 15% lift for the year would add about 1.1% to GDP. The lift could be greater than that given the multitude of factors causing activity to rise. They include the rebuilding of Christchurch, earthquake strengthening of commercial buildings, continuing water-tightness repairs, catch-up house construction in Auckland, and simple cyclical factors related to the economy exiting a very flat period when GDP grew by only 6.5% over a three year period.

Retailing activity also exited the year with some mild extra sign of life – though not enough to convince one that consumers are truly opening their wallets freely again. While core (ex-auto) retail spending fell 0.3% in real seasonally adjusted terms during the September quarter, this followed a 0.9% rise the previous quarter and annualised growth in core spending using debit and credit cards lifted to 4.2% in the December quarter from 0.6% in the September quarter.

So, an improvement, but not a convincing one and certainly not large enough to allow one to say that rationalisation of operators in the sector has finished. 2013 is likely to remain tough for retailers.

Manufacturing data only run to the September quarter and they show activity down 1.1% and gaining only 0.3% for the entire year to September. Excluding meat and dairy processing activity fell an even worse 1.4% in the quarter and was flat for the year. This is a key part of the NZ economy which is under considerable pressure from the ever present advancement in production techniques, efficiencies, and costs of production (location changes) overseas. Throw in a very high NZ dollar which we expect to rise even further this year and it seems highly probable that New Zealand's non-primary processing sector will continue to decline in size this year and next and act as a drag on the pace of economic growth.





In the tourism sector the numbers overall are poor with visitor numbers down by 1.4% for all of 2012 with this change in fact worsening to -4.1% if we strip out all but holiday-makers. Were it not for a 30.6% rise in visitors from China (39.2% for just holiday-makers) then the changes would have been a 3.8% fall in all visitors for the year and 8.4% fall in holiday-makers. Tourism is fundamentally in poor shape excluding those operators servicing the Chinese (average holiday stay = 6 days), and with the NZD staying high and conditions still tight in traditional source markets the sector is likely to continue to struggle this year.

In farming the high NZ dollar and drought conditions in some parts of the country go a long way toward offsetting a 27% recovery in dairy prices in the past year and mean that overall there is likely to remain some restraint in farmer spending this year. The latest Federated Farmers half-yearly survey showed that a net 8% of dairy farmers expect their profitability to decline compared with a net 37% six months ago. However a net 53% of sheep and beef farmers expect profit deterioration compared with 37% back in July. Nevertheless it is likely that those farmers in well capitalised positions will continue to build their businesses in anticipation of good long term demand from growing Asian middle classes.

In the services sectors we are seeing a lift in the pace of credit growth and rising interest in managed funds which bespeak of some improvement in financial sector employment and output. However the drive we see offshore for cost savings in the financial sector is likely to offset the natural jobs growth one would expect from improving product demand leading to little employment change.

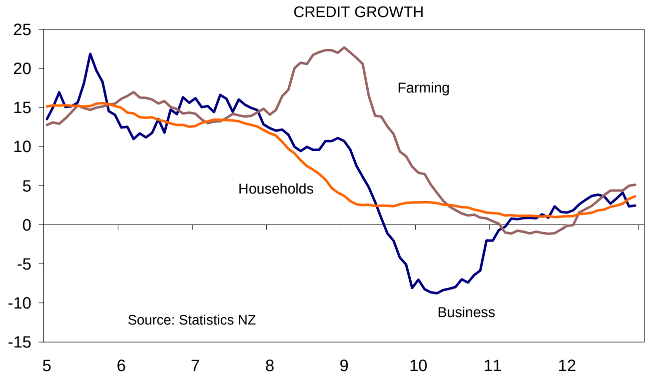
The real estate services activity is picking up and likely to rise further this year as house prices continue to rise principally on the back of a deficiency of supply. Suppliers of architectural, landscaping, surveying services are likely to do well.

With regard to goods exports the short term rates of growth can often be distorted not so much by changes in weather conditions affecting farm output as by whether inventories are being run down or added to predominantly in the dairying sector. Keeping that caveat in mind we see that over 2012 New Zealand's merchandise export receipts fell by 3.5% after rising almost 10% the previous year. In seasonally adjusted terms during the December quarter export receipts fell 5% after rising 2.7% in the September quarter.

The numbers show goods exports as essentially falling, especially when we consider that there appears to have been a run-down in inventories during the latter part of last year which artificially boosted exports. The export result was achieved even with dairy output rising 11% last season!

Above we noted that there is rising spending on non-residential construction in terms of actual money laid down and consents issued. Picking what is happening with investment in plant and machinery is always difficult in the short term – and more so now. If we look at the national accounts for the September quarter we see that such spending fell 18% after rising 11% in the June quarter and 5.6% in the March quarter. The change for the entire year was however a rise of almost 9%. The value of imports of plant, machinery and equipment in the December quarter rose 0.5% after falling 7.4% in the September quarter and rising 14.5% in the June quarter.

Trying to look through the huge quarterly volatility in the national accounts numbers we think that there is a lift in business investment underway which is an extremely positive thing given the country's need to raise productivity levels if we are to meet the income aspirations of people. This lift in business investment is only minimally showing up in the credit data. The annual rate of growth in lending to the business sector was 2.4% over 2012 from 1.6% over 2011. Growth in the December quarter was only 3% on a year ago so there is not much recourse to bank funding being used by businesses as yet to finance their investment.



Overall after looking through the sometimes scant evidence available we see a trend toward accelerating growth in the New Zealand economy – but it is coming from the domestic and not export side. Goods receipts are falling and tourist numbers would be in freefall were it not for Chinese visitors – who still cannot prevent overall visitor numbers declining 1.5% as noted above – or 4.1% for only holiday-makers.

Looking Ahead

Looking forward our expectation is that retailing will mildly improve along with financial and real estate services, obviously house construction, non-residential building, and infrastructure spending. Manufacturing will decline apart from production of building materials and specialised high value items about which we shall write more in a new publication to appear soon.

The main source of restraint on the economy going forward will be the high exchange rate which is hitting most exports, plus lingering caution in all corners regarding debt levels, and a mild tightening of fiscal policy. Stimulus will come from continued low interest rates – though few people seriously want to borrow apart from getting themselves on the housing ladder – the many construction drivers already noted, some very mild improvement in world growth with the more significant for us in the short-term being China's growth acceleration (benefits us and Australia), and then the other interesting stuff about which we economists who come from the markets side traditionally write almost nothing.

- Creative digital content
- ICT
- High value manufacturing
- Green economy
- Nutriceuticals
- Food technology

We write little largely because there is a paucity of regular data on these areas, none ever make it explicitly into the list of factors considered by the Reserve Bank when setting monetary policy – with this reflecting their small size.

However if NZ is to have any hope of achieving the government's goal of raising the ratio of exports to GDP from near 30% to 40% come 2025 (going backwards currently) then we need growth in these types of areas because relying on the primary sector simply will not get us there. There are only so many cows we can stuff into our paddocks, so many trees we can sit watching grow, so many fish we can take from our seas, and so many high yield tourists willing to come way down here.

If you are interested in providing me with information on the areas listed above please do get in contact as I shall be looking at such things from here on.

All up, it looks like New Zealand will be able to achieve a growth rate this year in the region of the 2.5% achieved over the year to September 2012 and that rate would be a lot higher were it not for the high currency – about which neither the government nor the Reserve Bank can realistically do anything. It is in essence a key way on top of outright weak customer demand that we get to share the pain of economies offshore grappling with debt reduction issues. One of the key lessons of the GFC is that there is no decoupling of any economy from the others in today's world – which sounds very much like what we have always known in this country since before the Long Depression of the 1880s-90s, the Great Depression and so on.

Recent Economic Data

Labour Market Release Loses The Plot

This morning the Household Labour Force Survey for the December quarter was released and it showed that the country's unemployment rate fell from 7.3% in the September quarter to 6.9%. But it also showed that job numbers fell 1% in the quarter and by1.3% for the year which is an outcome completely at odds with every other employment indicator out there including the Quarterly Employment Survey which showed a 1.5% rise in job numbers during 2012.

The HLFS cannot be considered to any longer be providing a reliable gauge of the state of the NZ labour market and should be ignored – unfortunately.

INTEREST RATES

The main development of relevance to where interest rates are going is not new pressure on NZ monetary policy – where we expect no OCR change for a long time – but upwardly creeping fixed borrowing costs. History and economic theory tell us that fixed rates rise in advance of floating rates, but picking when this will happen has proved impossible over the past three years. All one can say is that with the markets increasingly giving the benefit of the doubt to growth overseas and investors moving money out of bonds that there will be upward pressure on fixed rates completely independent of the pressure to eventually come from anticipation of tighter NZ monetary policy.

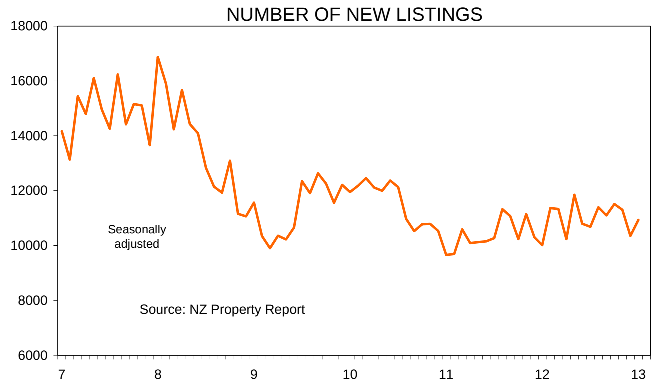
These two big factors make for a very unpredictable year with regard to how rapidly fixed borrowing costs rise.

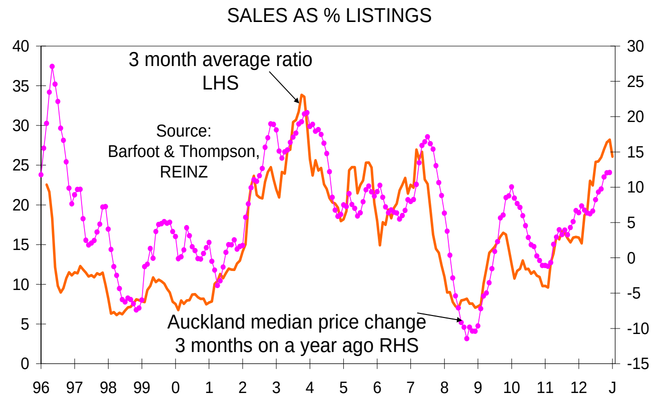
This week swap rates have risen just marginally from where they were last week.

FINANCIAL MARKETS DATA	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	2.50%	2.50	2.50	2.50	2.50	5.4
90-day bank bill	2.70%	2.70	2.66	2.67	2.76	5.7
1 year swap	2.80%	2.81	2.71	2.62	2.82	5.8
3 year swap	3.16%	3.13	3.00	2.84	3.10	6.1
5 year swap	3.47%	3.43	3.28	3.14	3.53	6.3
7 year swap	3.79%	3.74	3.60	3.44	3.93	

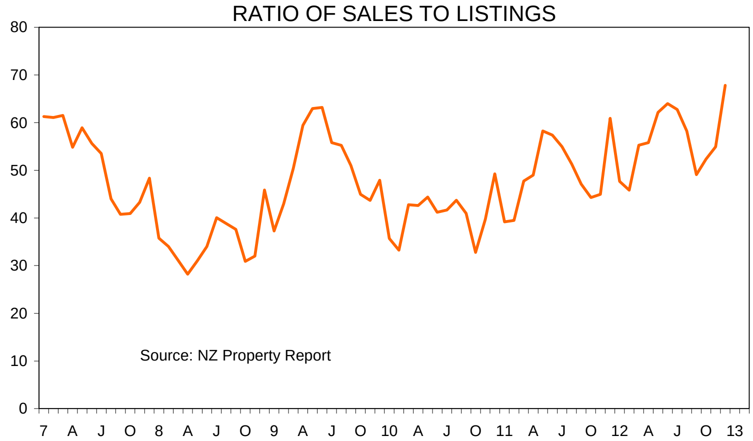
HOUSING MARKET UPDATE

The NZ Property Report people this week reported that during January the number of property listings on their website rose in seasonally adjusted terms by 5.6% after falling 8.4% in December. The change means that new listings decreased by 4.2% during the three months ending January and were only 0.8% ahead of a year earlier after posting an annual rise of 6.2% in the three months ending October and 9.2% in the three months ending July.





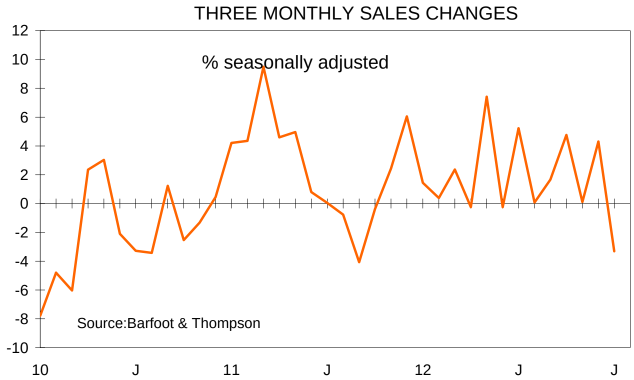
What this tells us is that the trend is possibly toward fewer listings coming onto the market and we can get another gauge of this by looking at the total stock of listings. At the end of January this stock stood at 41,665 seasonally adjusted. This is the lowest stock level since the data series started in January 2007. Yet with sales rising this means that one measure which I feel gives good insight into where prices are going – the ratio of sales – to listings – is headed upward. I choose to show this correlation using the data from the monthly Barfoot and Thompson release for the Auckland market. The NZ Property Report gives us the graph below where I use the nationwide REINZ sales data which runs to December. The NZPR people average their data over the three month period to December.

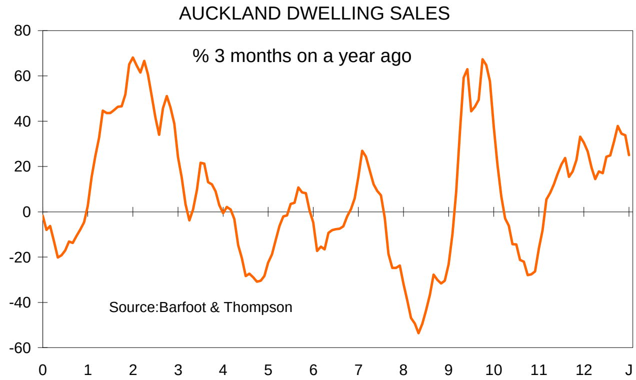


Their averaged measure is that the stock of listings is equivalent to 28.7 weeks of sales compared with 33.1 three months earlier and 36.4 a year ago. Whatever measure one uses there is a clear tightening in supply underway and that has such very obvious implications for prices. Imagine what will happen when the migration data turn positive and the unemployment rate falls below 6%! My view is that this year average house prices will rise by more than they did over 2012.

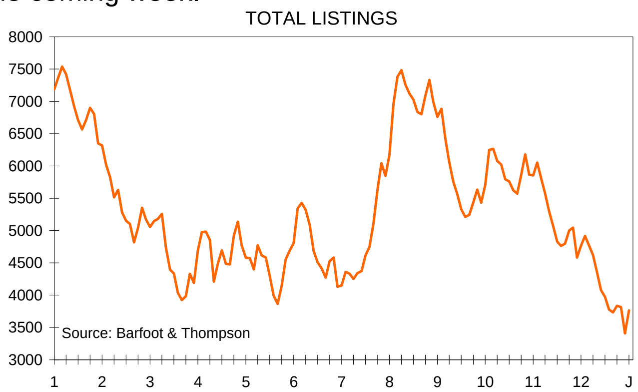
Barfoot and Thompson

Data from this large Auckland real estate firm show that they sold 820 dwellings in January which was a 20% rise from a year earlier, near 10% seasonally adjusted fall from December, and 14% seasonally adjusted fall for the past three months. So their data are showing an easing off of sales activity. The number of new listings received during the month was ahead by a strong 40% from a year ago taking the listings stock to 21% down on January 2012 and the ratio of sales to listings to 21.8% from 14.3% last year.



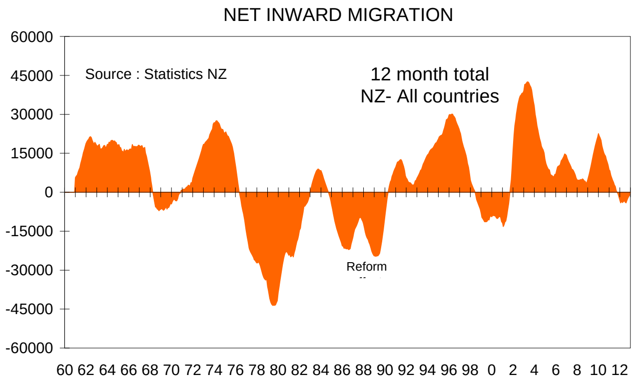


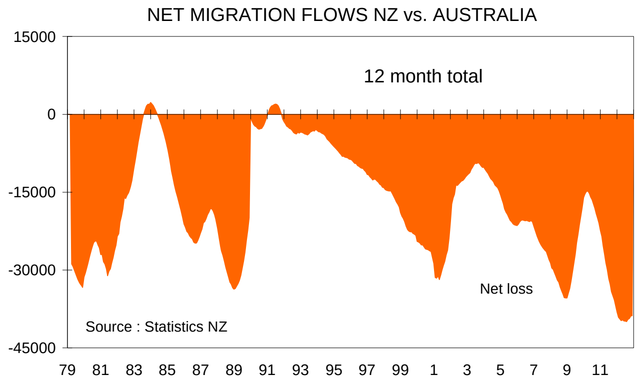
The data give a hint of some easing off of activity in the market with a few more listings appearing and we look forward to seeing if such a result is also apparent in our BNZ-REINZ Residential Market Survey which we will run then release in the coming week.



Migration Trend Mildly Upward

Data from Statistics NZ this week showed that there was a net loss to our population from permanent and long-term migration flows in December of 582 people. This was 402 fewer than the December 2011 loss meaning that the annual change for all of 2012 was a loss of 1,165 people compared with 1,855 over 2011 and a peak annual loss recently of 4,118 in August. The seasonally adjusted December change was zero which follows positives averaging 343 for the previous three months therefore one cannot say that there is anything remotely approaching the 2001 situation underway where migration flows massively switched from negative to positive in a short time.





However the trend is toward improvement and this is relevant to the housing market because more people means more demand for accommodation. For your guide, the net loss to Australia was 38,796 over 2012 compared with a peak loss of 39,956 in August. The net gain from China including Hong Kong was 5,646 from 5,015 in 2011. The net gain from the UK was 5,731 from 5,541 over 2011. The net gain from India was 5,099 from 4,933 and the net gain from Europe excluding the UK 5,888 from 5,741.

Rent or Buy

I bet you think that this title means I am going to write about whether young people looking at their housing future should stay renting or buy after cranking the numbers. Wrong sorry. I have never done that exercise either for work purposes or in my personal life. The reason is that for myself the decision was always to buy as soon as I could raise the minimum deposit and to get myself the best place I could with that deposit and staying within repayment criteria. As it turned out I was in that position in September 1987 (one month before the big 1980s sharemarket crash – great timing) and by running up four credit cards was able to buy a house and quarter of an acre of land in a deep gully on the city side of the city end of Karori where I got four hours of sun in Winter but lots of dampness and a couple of flooding creeks – for about $84,000 if I recall. I loved the place and spent the first year clearing blackberry and laying a lawn. I sold six years later for a capital gain which averaged about 4% a year (when inflation had averaged 4.2%) and bought at the bottom of the cycle the house and land we occupy now north of Wellington. So bad timing on the first purchase but I'd do it again no worries, and good timing on the second, plus a third family-related purchase in 2001 or so.

So if I'm not going to write about renting vs. buying for a home purchase what is it I am writing about? A holiday purchase. We love going to the Gold Coast and when we go there I undertake the same exercise I have undertaken for every other place we have holidayed including Punakaiki, Barrytown, Kaikoura, Napier, Mokau, etc. I look at properties for sale, how much they cost, and wallow in the dream of owning a holiday home.

So what would the cost be of owning a place on the Gold Coast? We could purchase something which would meet our needs for about A$400,000. That would involve sacrificing interest income in NZ bank accounts of about A$12,000. The rates would be about A$3,500, the body corporate A$6,500, insurance I guess at least A$1,000, water rates maybe $1,500 and lets allow A$3,000 for annual maintenance and placing stuff in the unit. The cost would be A$27,500 p.a.

The cost of a night for all of us in the place we like is about A$360. To be better off buying than renting we would need to stay there for at least 77 nights. That is eleven weeks or two and a half months. That isn't going to happen this side of retirement.

The numbers therefore come out massively in favour of
- not tying ourselves down to a set location,
- not turning down requests from friends and relatives to let them use our unit,
- not wondering how the unit would fare following the latest cyclone, and
- not putting up with an inability to furnish it as we would personally like in order to allow it to be rented out to goodness knows what drunk door-bashing Australasians for their holidays.

Unless that is I assume that there would be some capital gain. If we were to regularly stay at our favoured place 20 nights a year then we'd need capital gain covering 57 days or about $20,500 which works out at 5.1% per annum to start with. Is that likely?

The Gold Coast will host the Commonwealth Games in 2018 so that sounds positive. A light rail system is being put in nearby and that sounds positive also. The market may be at its worst right now with a glut of apartments having arrived early in the GFC and prices for some new ones falling over 40%. Chinese buyers will likely increase in number, and aging populations mean more people may be looking for sunny climate retirements.

But Australian property prices are extremely high by world standards, I expect the NZ dollar to rise against the AUD over the coming year by easily more than 5%, and January was munted by cyclones in 2011 and this year. And if I were to justify a purchase on the basis of capital gain then it would seem obvious that I purchase instead here in NZ where I could more easily manage the property and use the proceeds to fund Australian holidays.

But sitting here typing this on a Saturday morning at my local GroundUp Café I have just heard a bloke beside me tell his mate that he is off to visit his rental property in Wanganui to fix a ranch-slider which has come off its railings. Sod that. I'd rather stay home and take the chainsaw to one of the 9,000 trees I planted two decades ago rather than spend my spare time tending to someone else's problems.

Does that mean I escue outright property investment? Yes. I don't need the hassle, could never be a landlord for the same reason I left school at the end of the sixth form to start varsity at 16 rather than stay and be a Prefect – unwillingness to tell others what to do – and don't feel the need to maximise my wealth just for the hell of counting my coin. Instead I do, have done, and will do the one thing my father gave useful life advice on many years ago – put extra hours I was willing to give into driving income and wealth growth from my primary employment rather than devoting that time to something else.

For me personally that strategy has worked. For most others with average jobs I would suggest it would not. Therefore I am a huge fan of not imposing restrictions on the ability of average Kiwis to build their wealth over time by investing in property. Go for it.

What about the dream of buying a holiday home and renting it out during the year to cover costs? One website I looked at noted that a unit such as I would like rented for A$25,000 over the December – January period. The problems here are however threefold. First I would I am sure pay tax. Second, the December – January period plus school holidays is exactly when I would want to be using the place, and third, one suspects that outside of holiday periods demand for a holiday rental would be low and price would need to be discounted.

So I won't buy a Gold Coast holiday home. Does that mean I shall not look at real estate advertisements? Not at all. The dreaming remains as good knowing I won't purchase as before running the numbers.

If I Were A Borrower What Would I Do?

I would be wary of the growing number of forecasts regarding how high interest rates will go this time around. No-one has a good record of picking when and where interest rates will peak. In early-2004 when the Reserve Bank started tightening monetary policy the common pick was that the official cash rate, then at 5%, would peak at 6.25% or so. I picked 7.25%. The top was actually an eye-watering 8.25%. No-one picked the speed with which rates would tumble from that 8.25% level and no-one to my knowledge picked the 2.5% low, or that the start of the rise after that would abort and completely reverse at 3%.

What this means is that you are not going to be able to devise an interest rate risk management strategy which is highly dependent upon a particular set of interest rate forecasts. So don't ask. Simply note that NZ's history is one of people generally under-predicting interest rate peaks. That is why even though one is paying more for it straight away, moving to a five year fixed interest rate may not be a bad idea for half of one's mortgage – simply as a hedging strategy rather than a cost minimising one.

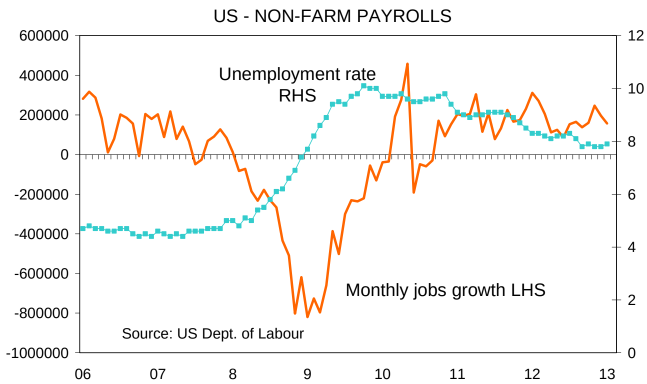
OFFSHORE

This section is short this week due to travelling for talks in Auckland, Waitangi Day, and a computer yet again giving problems.

Although extreme caution (pessimism) remains about the European economy this year, one or two signs have been emerging suggesting that the German economy is pulling out of a slump which came as a surprise to most. Unemployment in Germany dropped by 16,000 in January and a rise previously reported for December was revised to a 2,000 fall. The unemployment rate sits at a two decade low of 6.8% placing Germany in a vastly different position from the debt-hungry tax-dodging subsidy-grabbing economic Neanderthals down south.

Last year Germany grew by 0.7% following good growth of 3% in 2011 and the Bundesbank forecasts just 0.4% growth this year. That means that in coming months periods of good data will be followed by weak data releases and that is likely to keep the Euro generally weak against the likes of the AUD and NZD.

In the United States the good piece of news was the non-farm payrolls report which showed growth in US job numbers over January of 157,000 and a fairly inconsequential rise in the unemployment rate from 7.8% to 7.9%. The result is good in that it follows a string of similar monthly rises and signals that the labour market is moving in the right direction. That is good because it will make firms more confident that retail spending will be lifting therefore they will likely consider bringing into fruition probably long-delayed plans to hire people, build stocks, and boost capital spending.



However the other indicators on the US economy, while generally positive, still show that it is unreasonable as yet to expect that growth will consolidate above 3% and cause the Federal Reserve to start thinking about ending its continuing quantitative easing of US$85bn a month. In fact last week the Fed. made it clear that it plans continuing its money printing operations.

With regard to Australia the data continue in a two steps forward and one step back fashion. Last week the credit growth numbers came in stronger than expected and house prices have lifted. But building construction data remain poor, job advertising weak and retail spending fell by 0.2% last month.

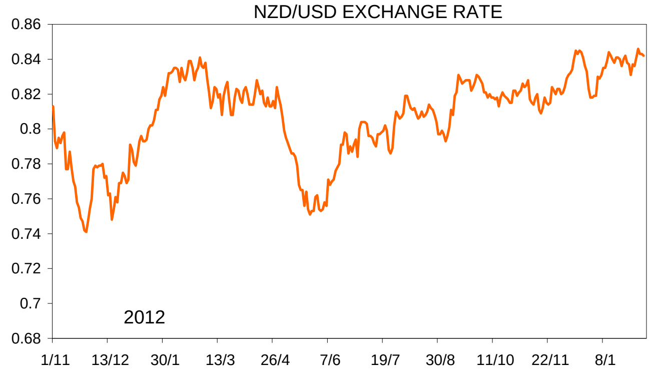
The Reserve Bank of Australia undertook their monthly review of the cash rate this Tuesday and said that they see signs that their easing of monetary conditions over the past year and a half is having some effect in terms of rising house and share prices, some lift in retailing spending, and very early signs that house construction may be improving. House prices rose 1.6% nationwide in the December quarter. It noted that with inflation low there is scope to cut interest rates further but the RBA has no plans to do so and it would take extra weakening in the economy to force their hand. Will they move again? Almost certainly they will

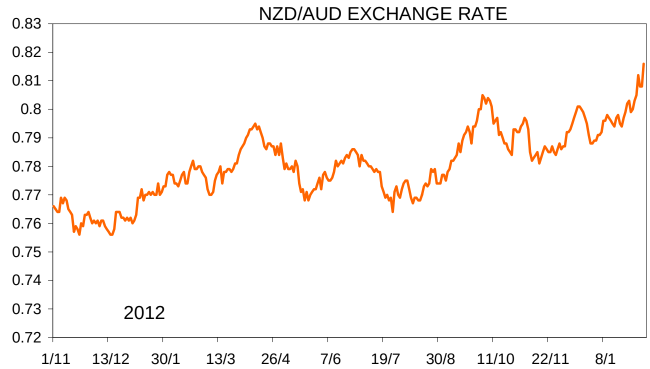
Exchange Rates

Exchange Rates	This Week	Week ago	4 wks ago	3 Mths ago	Yr ago	10 yr average
NZD/USD	0.837	0.836	0.831	0.828	0.833	0.67
NZD/AUD	0.811	0.803	0.792	0.793	0.777	0.85
NZD/JPY	78.1	76.2	73.1	66.5	63.8	69.6
NZD/GBP	0.535	0.529	0.517	0.517	0.527	0.388
NZD/EUR	0.619	0.616	0.635	0.646	0.635	0.52
NZDCNY	5.22	5.20	5.18	5.20	5.26	4.99
USD/JPY	93.31	91.15	87.97	80.31	76.59	105.7
GBP/USD	1.56	1.58	1.61	1.60	1.58	1.72
EUR/USD	1.35	1.36	1.31	1.28	1.31	1.28
AUD/USD	1.03	1.04	1.05	1.04	1.07	0.788
USD/RMB	6.232	6.2204	6.2306	6.2804	6.3116	7.56

Kiwi Firm Again

The Kiwi dollar has made some fresh gains this week not so much against the greenback where it sits just under 84 cents, but on the crosses. Against the Australian dollar the NZD is near a two and a half year high over 81 cents from just over 80 cents last week and having spent a long long time close to 79 cents.

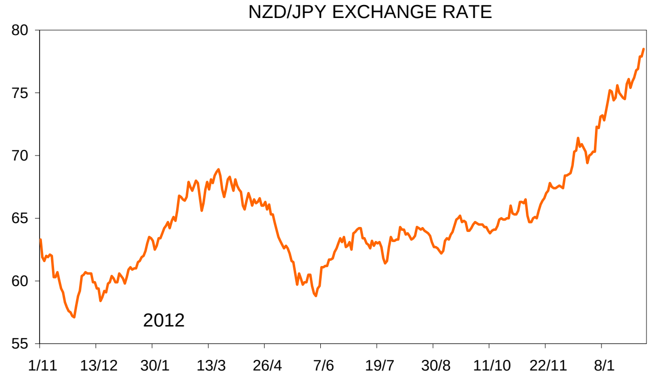


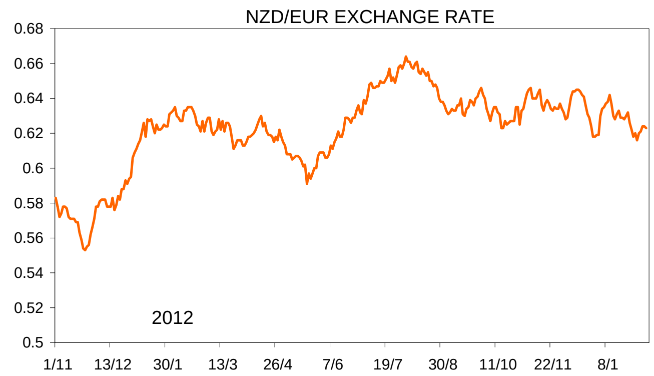


The NZD's rise against the AUD partly reflects market anticipation of easing in Australian monetary policy over the coming year while the next move in New Zealand is expected to be a tightening. But also it reflects some concern about Australia's growth and perhaps uncertainty ahead of the general election which has been set for early September.

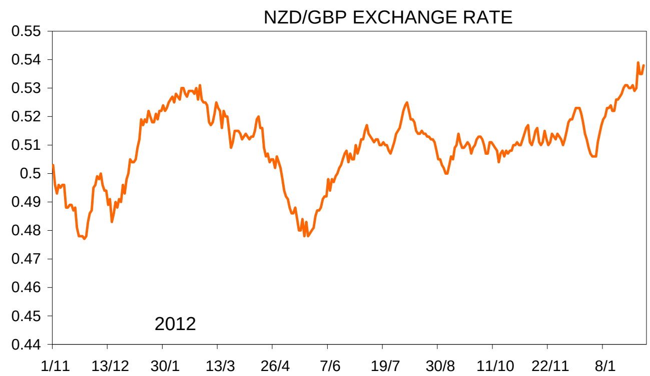
The NZD has also risen against the Japanese Yen to a four and a half year high, largely on the back of money printing and general policy loosening expected in Japan. Against the Euro on the other hand the NZD, while the NZD is slightly higher than a week ago in response to worries about politics in Spain and

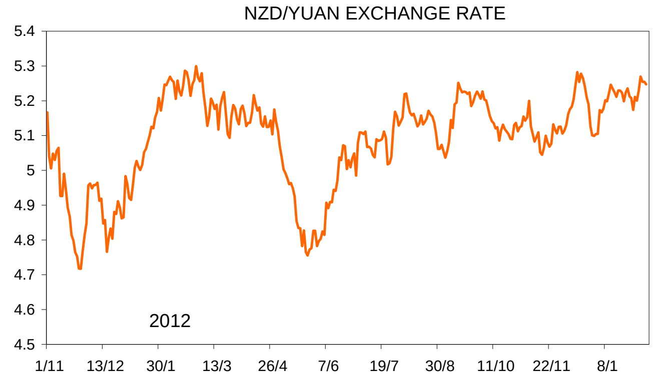
Italy, the pulling back of investors from expectations that the Euro will fall apart has given the Euro some extra strength in recent months. That strength however is believed to be causing some concerns and markets will be closely watching tonight to see what comments the ECB may make after its monthly meeting regarding the Euro's levels.





Looking ahead our expectation remains for a firm NZD on the back of reasonable economic growth, money printing continuing in struggling economies overseas, and some support for our international commodity prices. Note that the NZD has risen to almost 54 British pence and I remain of the view that we are headed for a range of 55 – 60.





Key Forecasts

Dec. year		2011	2012	2013	2014
GDP	annual average chg	1.5	2.0-3.0%	2.0 – 2.5	1.0 – 2.0
CPI	on year ago	1.8	0.9	1.0 - 2.0	2.0 – 2.5
Official Cash rate	end year	2.5	2.5	2.5 – 2.75	2.75 – 4.25
Employment	on year ago	1.6	-0.5 – 0.5	1.0 – 2.0	0.5 – 1.5
Unemployment Rate	end year	6.4	7.0 – 7.5	6.0 – 7.0	6.0 – 7.0

The Weekly Overview is written by Tony Alexander, Chief Economist at the Bank of New Zealand. The publication is sent to 27,000 subscribers each week and is one of a stable of regular releases which include the

- monthly Growing With China publication, http://tonyalexander.co.nz/topics/china/
- monthly BNZ Confidence Survey, http://tonyalexander.co.nz/topics/surveys/bnz-confidence-survey/ and the
- monthly BNZ-REINZ Residential Market Survey. http://tonyalexander.co.nz/topics/surveys/bnz-reinz-survey/ This latter survey provides information from a survey of over 10,000 licensed real estate agents on the current state of the residential property market in New Zealand.
- He also produces a monthly column for the NZ Property Investor magazine, http://www.propertyinvestor.co.nz/ and
- writes a monthly column for the NZ China Trade Association. http://www.nzcta.co.nz/
- Most of these publications plus research into impediments to NZ's economic growth are available on his website. www.tonyalexander.co.nz
- Discussion of New Zealand's relationship with China can be found here. www.facebook.com/TonyAlexanderNZ

Tony Alexander has been Chief Economist at the BNZ since 1994 and apart from publications and advising management spends considerable time on the road around New Zealand making presentations and speaking with the media. He travels to the UK and Europe twice a year to assess economic conditions and present at numerous functions, has five children, tramps, and his partner Dr Sarah Farquhar runs the early childhood education network www.childforum.com

Tony.alexander@bnz.co.nz Ph 00644 474-6744