



AUGUST 2022

SNIPPETS

PARENTAL LEAVE PAYMENTS

Paid parental leave is a government payment to assist with the loss of income when an employee who is eligible, becomes a new parent. The maximum paid parental leave increased on 1 July to \$661.12 per week.

PROOF IN LIEU OF A MEDICAL CERTIFICATE

Due to winter illnesses putting pressure on primary care providers, the Ministry of Health have advised employers that they can consider the text messages the Ministry sends to people positive with COVID19 and their household contacts as proof of needing time off work. This can be used as reliable evidence rather than requesting a traditional GP medical certificate.

Texts from 2328 or 2648 are sent to a COVID 19 positive person and any household contacts they identify. The first text confirms their COVID positive test and the need to isolate, and the second text confirms they can return to work. Household contacts receive a text saying they are free to leave isolation if their day 7 RAT test is negative.

COST OF LIVING PAYMENT



The first Cost of Living Payment of \$116.67 was made on 1 August and will be followed by two further payments on 1 September and 3 October. These three payments total

\$350.00 as announced in this year's Budget. Taxpayers need not apply – provided the IRD has the correct bank account in the individual's myIR, eligibility is determined by the IRD on the following criteria:

- Earnings of \$70,000 or less in the period 1 April 2021 to 31 March 2022 – a tax return needs to be filed.
- Not entitled to receive NZ Super or another benefit which qualifies for the Winter Energy Payment
- Aged 18 years or older
- Qualify as a New Zealand tax resident and live here
- Meet all conditions for a student allowance

There will be customers who are eligible, whose returns will not be filed by 1 August. This means they will not receive the first payment on that date. IRD will make payment once the 2022 income tax return is filed.

Anyone who has not supplied IRD with their current bank account number can still claim the payments until the end of March next year.

TAX RULES ARE CATCHING UP WITH CRYPTOASSETS

Late last year a Bill was introduced to give a new definition to cryptoassets. While recognising that cryptoassets are a complex and constantly evolving area, as more and more taxpayers start investing or dealing with these digital assets, there needed to be an attempt to future proof legislation to provide greater clarity on how tax laws apply to these "assets".

Cryptoassets are now known by various terms such as cryptocurrencies, digital financial assets or tokens and virtual currencies and are cryptographically secured digital representations of value that can be transferred, stored or traded electronically. They use some form of database ledger technology such as blockchain which record transactions and contracts shared across worldwide locations.

Cryptoassets are treated by the IRD as a form of property for tax purposes. While there are different types of cryptoassets, the tax treatment depends on the characteristics and use of the cryptoassets. Therefore, it is best to be aware of your tax obligations if you are involved in selling, trading, exchanging or lending of any cryptoassets.

If you are a New Zealand tax resident, tax is generally paid on your worldwide income. This includes cryptoasset income even if you acquire and dispose of it overseas using a crypto exchange based outside New Zealand. Cryptoassets are not subject to GST when they are bought or sold but do have GST implications when they are received as payment for normal business activities just like other goods and services purchased using money.

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ESSENTIAL QUESTION: HOW WOULD FAIR PAY AGREEMENT BARGAINING BE INITIATED?

After several years of working groups, public discussion and anticipation, the Fair Pay Agreements Bill received its first reading in Parliament in early April this year. While the Bill will undoubtedly undergo changes as a result of the parliamentary process before becoming law at the end of this year, as it currently stands the Bill is the starting point for what may become the most significant shift in New Zealand's employment law landscape in over 20 years.

The Bill would usher in a new Fair Pay Agreement bargaining model whereby employers and unions within a sector bargain for "fair pay agreements" setting minimum terms and conditions for all employees in an industry or occupation. Importantly, if a Fair Pay Agreement provides terms and conditions relating to minimum base wage rates, payment for overtime, penalty rates and any enhancements to minimum entitlements over and above those under the Holidays Act 2003, then those terms are treated as 'minimum entitlement provisions' under the Employment Relations Act. The Labour Inspector could therefore enforce those terms of a Fair Pay Agreement against an employer covered by the Fair Pay Agreement.

Under the Bill an eligible union wishing to initiate bargaining must make an application to MBIE – this government organisation must then be satisfied that either the "representation" test or the "public interest" test is met.

The representation test would be satisfied where either at least 1,000 covered employees, or 10% of all covered employees, support initiating bargaining. Union membership alone is insufficient evidence that an individual employee supports this initiation.

As it now stands, the "public interest" test would be satisfied if the employees within the coverage of the proposed Fair Pay Agreement either:

- receive low pay for their work; or
- have little bargaining power in their employment; or
- have a lack of pay progression in their employment (for example pay rates only increase to comply with minimum wage requirements); or
- are not adequately paid, taking into account factors such as working long or unsocial hours (for example weekends, night shifts or split shifts); and
- have contractual uncertainty (including short term seasonal work or working on an intermittent basis).

The union must specify the coverage of the proposed Fair Pay Agreement, particularly whether it is to be occupation-based or industry-based. To illustrate the difference, the Bill gives an example of coverage for an occupation-based agreement as covering "all commercial cleaners" and for an industry-based agreement as covering "butchers and bakers in the supermarket and grocery industry".

All employees and employers who fall within the coverage specified (occupation or industry) will be covered by the Fair Pay Agreement.

In considering an application, MBIE may request further information from the union and hopefully would invite public submissions in relation to whether the representation test or public interest test is met. Where MBIE is convinced that either of the two tests have been satisfied, approval is given to the union to initiate Fair Pay Agreement bargaining.

WHICH SOCIAL MEDIA PLATFORM IS RIGHT FOR YOUR BUSINESS?

When the average person spends 2.5 hours a day on social media and visits more than seven different platforms a month, taking advantage of eyes on screens is a no brainer for engaging customers.

When it comes to the public perception of your business, creating a brand that resonates with the right audience is key. Good marketing is all about repetition to create a feeling of connection that generates trust and your brand gives your business a voice and a personality. But what social media platform to use to help your business stand out from the crowd:

Facebook:	The original platform for brands looking to attract Baby Boomers and GenX (people aged 40 – 70). Facebook allows you to define an audience based on criteria such as age, interests and geography
Twitter:	Where you can chime in on any conversation
Pinterest:	More female-focused with content on design, fitness, lifestyle and food
Instagram	Use your best photos and video clips to attract the millennial demographic (people aged mostly 30-40). With 1.4 billion users this is the 4 th most active social media platform and with more visual format, it is also one of the easiest to get right.
YouTube	Useful for blogging and video diaries
Snapchat	Tell a fun, authentic story to a millennial audience
LinkedIn:	The B2B social network for professionals
Tumblr:	A micro-blogging site for niche audiences
TikTok:	Short form user videos aimed at the younger market

Engaging with customers is always important and in the current environment, online interaction has become exponentially relevant. In a recent survey 87% of the people interviewed said that a business needed an online



rating of at least 3 stars for them to use the business and 84% trusted online reviews as much as a personal recommendation. It is calculated that on average one negative review can cost a business 30 customers.

NEW PROPOSALS ON MODERN SLAVERY PLACE HIGHER RESPONSIBILITIES ON ORGANISATIONS IN NEW ZEALAND

Since March of this year, all Xero employees have been required to undertake mandatory training focused on modern slavery awareness to help them recognise the signs of modern slavery and to know how to report issues if they have concerns.

Modern slavery includes an estimated 40.3 million people worldwide, including 25 million people in forced labour. In New Zealand MBIE has cited that since 2009 51 victims of people trafficking have been identified, while it is estimated that approximately 3,000 individuals here are subjected to some form of modern slavery.

A proposal released by MBIE for legislative response, including public consultation is currently open. The proposal aims to “achieve freedom, fairness and dignity in the operations and supply chain of entities in New Zealand”. The plan would be to introduce a graduated system of obligations to be required of medium and large organisations, although some responsibilities will apply to all regardless of size.

Modern slavery and worker exploitation are dealt with differently under the terms of the proposal. Modern slavery captures “the legal concepts of forced labour, debt bondage, forced marriage, slavery and slavery practices and human trafficking”. Worker exploitation would capture “non-minor breaches of New Zealand employment standards” and apply only domestically.

Compliance will need to be carried out by NZ businesses whose role is that of parent or holding company (or that they exercise significant control over another entity) to prevent, mitigate and remedy any modern slavery or worker exploitation in both international and domestic operations/supply chains. Due diligence such as audits of suppliers to assess compliance with human rights and the requirement to establish reporting mechanisms throughout supply chains are examples of what will be needed to comply. Although it is recognised that these proposals will impose greater administrative requirements on Kiwi organisations, it marks a positive step in efforts to combat these breaches of human rights.

TUAI POWER STATION BOOSTS NATIONAL GRID CAPACITY

Genesis Energy has completed the first stage of a seven-year project to upgrade Tuai Power Station with the removal of the power station’s original generator installed in 1939 and the installation of a replacement Spanish-built generator. This 26-tonne new generator commenced its 19,500 km journey from Bilbao many months ago, arriving two months late due to shipping delays, to be then delivered by truck on a journey 560 km from Auckland via Wairoa to Tuai.

This new plant is part of a \$32 million upgrade which will see Tuai’s other two generators, built in 1943, also replaced by new General Electric built plant in the summers of 2023 and 2024. The project when completed will boost Tuai’s electricity generation capacity into the national grid by 6 megawatts - enough additional power to “light” an extra 1,000 houses for a year.



Genesis’ Waikaremoana Tuai power station, situated near Lake Waikaremoana, is one of three power stations in Genesis’ Waikaremoana Power Scheme, transferring water between Kaitawa and

Piripaua. Piripaua is also part way through its own overhaul of its two generators, first commissioned in 1943. This work will again increase their efficiency by enough to power an extra 436 households a year.

Livestock Valuation – National Average Market (Herd) Values 2019 - 2022

Type	Class	2019	2020	2021	2022	\$ Change	% Change
Sheep	Ewe Hoggets	135	108	123	143	20	16.3%
	Ram & Wether Hoggets	125	105	119	143	24	20.2%
	2th Ewes	214	177	191	224	33	17.3%
	M/A Ewes	190	156	174	202	28	16.1%
	5 & 6yr Ewes	164	128	153	176	23	15.0%
	M/A Wethers	124	105	129	147	18	14.0%
	Breeding Rams	338	340	323	384	61	18.9%
Beef Cattle	Rising 1yr Heifers	717	526	563	665	102	18.1%
	Rising 2yr Heifers	1097	888	911	1038	127	13.9%
	M/A Cows	1355	1090	1138	1328	190	16.7%
	Rising 1yr Steers	844	678	716	808	92	12.8%
	Rising 2yr Steers	1209	1035	1088	1242	154	14.2%
	Rising 3yr Steers	1513	1315	1391	1587	196	14.1%
	Breeding Bulls	3407	2950	2894	3158	264	9.1%
Red Deer	Rising 1yr Hinds	384	236	174	189	15	8.6%
	Rising 2yr Hinds	559	405	327	355	28	8.6%
	M/A Hinds	595	430	349	379	30	8.6%
	Rising 1yr Stags	441	283	212	242	30	14.2%
	Rising 2yr Stags	662	455	420	475	55	13.1%
	Breeding Stags	2324	1990	1873	2131	258	13.8%

POTATO BAG STRENGTHENER

An exercise to get you into shape for summer:

Begin with a 5kg potato bag in each hand.
Extend your arms straight out from your sides,
hold for a full minute, then relax.
After a few weeks, move up to 10kg potato bags.
Then try 20kg potato bags and, eventually, try to
get to where you can lift two 20kg potato bags in each hand
and hold your arms out straight for a full two minutes.
Once you feel confident at that level,
put a potato in each bag!

