



DECEMBER 2023

SNIPPETS

THE NEW RURAL SUPPORT TRUST GENERAL MANAGER IS MARIA SHANKS

In what has been a tough year for farmers due to wild weather events, Rural Support Trust has stepped up to provide critical response and recovery services to affected farmers, growers and rural communities. This year, along with baseline resourcing, the Government has backed the Trust with funding to assist with recovery in the acute stages of these devastating events.

Maria, who hails from a farming family in this area, took on the new role of General Manager in May this year. It is not widely known that the Trust - a collective 14 regional trusts - has a national council of volunteers with many of the regional staff also fulfilling volunteer roles. Calls for support from the Trust come not only from adverse one-offs such as cyclones events but vary by region – the many and rapid changes in Government policy have been affecting the rural sector of recent times and there are always the “business as usual” pressures of employment, finances, access to services and maintenance of good mental health in demanding times.

The Farm Business Advice Support fund, an initiative funded by the Government and banks, and managed by the Rural Support Trusts, has had its funding boosted specifically to support farmers from all sectors affected by the North Island flooding events in 2023. For a qualifying farmer or grower, the Fund will provide up to \$6,000 for financial or business advice from an independent consultant.

Rural Trust facilitators are community based (the well known Vicki Crosswell is our local driving force). Their primary goal is wide ranging support where needed while developing individual and community resilience through free wellbeing education such as Good Yarn Mental Health workshops and promotion of the FarmStrong fitness programme. **Contact Details – 0800 787 254 (0800 RURAL HELP) or <https://www.rural-support.org.nz/Regions>**



The Principals and Staff of Graham & Dobson thank you for your continued support during 2023. We wish you a Merry Christmas and a New Year celebrated with family and friends with fun, laughter and energised expectations of 2024.

Our office will close 3.00pm on Friday, 22 December and will re-open on Thursday, 11 January 2024 at 8.30am.

SIGNIFICANT ANNIVERSARIES MARKING CHANGING TIMES

Lonely Planet – 50 years: When Lonely Planet founders Tony and Maureen Wheeler published their first guide in 1973, “Across Asia on the Cheap”, the planet was a much lonelier place with 3.9 billion inhabitants compared to 8.1 billion today. Updated every two or three years and dubbed the “backpacker’s blue bible”, the guidebooks focused on unique destinations and budget travel. For good or ill, the travel information often ‘made’ destinations, hostels and restaurants. Lonely Planet and its destination publications has been blamed for the rise of the ‘Banana Pancake Trail’ which drew large numbers of travellers to hitherto unknown unspoilt places in South-East Asia. These days its guides reflect the quest for meaningful experiences rather than bargains.

The Australian Women’s Weekly – 90 years: The original food influencer beginning after World War I, the “Weekly”, shaped how Kiwi readers looked at food, how they ate and the way they prepared recipes. Spaghetti Bolognese, coleslaw, baking from boxed cake mixes, crockpot cooking, recipe card collections and those glossy cookbooks all had their place in our kitchens. And what Kiwi child has not had a cake chosen to surprise with decorations from the Australian Women’s Weekly Children’s Birthday Cake Book – born in 1980, and at over 80 million copies sold worldwide, it is still in great use and well-thumbed before many a big day!

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AS OUR DUNES RETREAT, WILL INSURANCE FOLLOW?

It is the quintessential Kiwi dream – owning a property only a stone's throw from the sea. Coastal properties are some of the most expensive in New Zealand, yet they are at risk of extreme weather events and other natural hazards. Researchers believe many coastlines, including the likes of Wellington's southern waterfront, Napier and Tauranga



shorelines, will see their flood risk spike as rising sea levels boost the top range in ferocity of storm surges, letting them reach further inland. Cities such as Auckland, New Plymouth and Nelson have greater natural tidal buffers which mean some storm surges are likely to be absorbed within the normal tidal range. An example is that just 10cm of sea-level rise in Wellington will make a flood that might have occurred once every 100 years a

probable one-in-20 year occurrence.

Major projects are underway to better map the parts of the New Zealand coast that will be worst affected by sea level rise. A recent Government funded report asserts a sea level rise of 10cm by 2040 could cause a full insurance retreat of over 10,000 homes across Auckland, Wellington, Christchurch and Dunedin by 2050. The study only looked at the effects on insurance within 1km of the coast and those that already have a 1 per cent annual chance of flooding without sea level rise.

In Auckland 540 homes were identified as being in the risk zone. Their insurance premiums to cover flooding would be five times as large as today (reaching \$10,000 or more a year) after 15cm of sea level rise, if insurers fully priced the increased risk into policies.

As many studies look only at our major cities, the numbers of homes counted as being affected is very conservative: for one thing studies do not research river flooding which potentially affects many more New Zealanders than coastal floods. Modelling of how badly river floods will increase with warmer temperatures (which cause more intense rain) is still some way off.

"Insurance retreat" is when a private or public insurer declines an application for, or renewal of, insurance cover because of the high likelihood of damage occurring. Prior to full retreat, insurers may introduce exclusions such as excepting flooding as an insured event to transfer a significant portion of a property's risk back to the policyholder.

Increasing premiums, partial retreat and total loss of insurance is problematic for several reasons. These include:

- Loss of the ability to obtain mortgage finance/being in default of one's mortgage:
Mortgage finance requires comprehensive insurance cover on a no-exclusions basis. This insurance is to be maintained at all times and typically the only exception is when the property is bare land.



Even if the insurance companies were to partially retreat, banks could still refuse to provide mortgage funding if they consider the risk of loss too great.

- Increased costs to homeowners:
Extreme weather events could leave homeowners of coastal and other vulnerable properties open to significant costs in repairs and maintenance with no safeguard of insurance compensation. Homeowners may also incur the costs of temporary engineering responses to mitigate the effects of extreme events, if these are not Government/Council funded.
- Value loss and unsellable homes:
Alongside an **increase** in insurance premiums, coastal and other vulnerable properties are likely to suffer a loss in value. In a worst-case scenario, vulnerable properties may become unsellable.

New developments should not be happening in risky areas - however, the quality of flood risk data is inconsistent. In the recent cyclone events, overland flow paths that had been dismissed as not being a risk had sudden, significant water flows resulting in catastrophic flooding. But then recent headlines such as "Petone will be underwater by 2050" are emotive, affect the property market and are not based on reliable research or information.

In a step forward, the Government should require councils to create comprehensive local risk maps using modelling, the latest public funded data updated annually and invaluable local knowledge.

UBER COURT CASE

Last year, four New Zealand Uber drivers won a landmark case against the global rideshare company and their ridesharing app, which recognised the drivers as employees, not as contractors. The court decision was seen as a victory for unions who were pushing for the drivers to have workplace rights as employees, including earning the minimum wage per hour with holiday pay and access to sick leave with union membership and collective bargaining.



Although Uber recently has been given the green light to appeal this Employment Court decision, the ruling has broader implications for Kiwi businesses and how staff are categorised due to significant implications based on the legal definition of a contractor. It is widely recognised that the law in New Zealand should be clearer to enable determining whether someone is an employee or a contractor. Many Governments overseas are passing laws to clarify the 'grey' areas and to protect the rights of workers such as these 'gig' workers.

Uber drivers are known as gig workers because they provide on-demand services (in this case private transport) made available by interaction via a digital platform.

The Kiwi Uber drivers' case could lead to more action against businesses over employment status because in reaching its decision, the Court looked past the wording of the drivers' contractual terms and gave little weight to their label as 'independent contractors'. Rather, the Court viewed the control exercised by Uber over the drivers – a key part of which was Uber's ability to set prices for each driver's fare and then to withhold this information until the driver had accepted the ride. In doing so Uber deprived the drivers from the ability to assess the profitability of each potential ride and to run their business as they see fit. The Court then held that the only way for a driver to increase his profits was to work longer and longer hours.

Does your business use both employees and contractors? Despite what you may call the individual concerned, that description is not definitive if the status of the worker is questioned in the Employment Court as the Employment Relations Act 2000 requires a consideration of the 'real nature of the relationship'. Common law tests in determining that status include:

- How much control the hirer has over the worker?
- Whether the worker is an integral part of the business organization of the person who engaged them, and
- Whether the worker is performing services as a person in business on their own account

The above tests are also used by the Inland Revenue to determine whether an employer is ignoring their PAYE obligations by treating employees as contractors.



COULD A MINDSET COURSE ASSIST YOUR BUSINESS IN 2024?

Mindset courses can help develop the right psychological attitude to achieve success in a business field or industry. Every business has its ups and downs and given some of significant hurdles, both personal and commercial, business operators have faced in the past couple of years, it would be understandable if their business mindset was that remaining at the back of the pack was safest.

One aspect of good mindset courses is that they often feature mindfulness practices and techniques to reduce stress, master time management and maintain mental clarity in high-pressure business scenarios. They also seek to develop vital traits such as self-confidence and self-belief to cultivate the right mental and emotional attributes to achieve professional growth, overcome real challenges and maximise potential.

Companies such as Xero have a host of online mindset tools available to subscribers and Kiwi providers including “Think Right” also offer business potential mindset training.

THE ANTIPODEAN CHRISTMAS DINNER!

Many New Zealand families steadfastly cling to traditional Christmas menus which originated in snowy northern climes and make little sense celebrated under the sun. Although summer dishes such as new potatoes and fruit salad might make it to the festive table, some Victorian Christmas eatables still survive as demonstrated by My Christmas Food Bag including a turkey in its festive goodies to order for the big family meal.

Abel Tasman and the crews of Heemskerck and Zeehaen are thought to be the first to celebrate Christmas in New Zealand with freshly killed pork and wine while riding out a storm off the coast of D'urville and St Stephans islands in 1642.

The next Kiwi Christmas came over a century later when the crew of James Cook's Endeavour, anchored off North Cape, had a "festive meal of goose pye and by Evening all hands were drunk as our forefathers used to be on the like occasion" as recorded in Joseph Bank's diary.

For homesick British settlers, Christmas was a time to replicate the Yuletide and Christian traditions of the 'home' country. However, some denominations, such as the Scots Presbyterians, were unaccustomed to merrymaking on 25 December because there was no scriptural reference that this day should be observed – Hogmanay at New Year Eve was by far their greatest traditional time for festivities. It is a little known fact that Christmas Day in their home country, Scotland, was only made a public holiday in 1958 and Boxing Day only in 1974!

As New Zealand's different ethnic communities became integrated by the end of the nineteenth century most settlers at least took Christmas Day as a holiday and in many small rural communities outdoor picnics and fun and games became popular served with the key ingredients of a 'joyful'st' feast – Christmas cake, 'plum' pudding, baked meats and jellies!

Whatever is on the menu, we hope you enjoy your jolly feast. And let us be mindful of those whose table would be bare without the generosity of many Kiwis Christmas' giving and volunteering.



CHRISTMAS 2023 EXERCISE PLAN



Take one Weetbix.

Take an Aero Chocolate Bar.

Crumble the Aero over the Weetbix.

Voila!!

AEROBIX!

Merry Christmas To You All

