



JUNE 2023

SNIPPETS

FIRST FAIR PAY AGREEMENT APPLICATION APPROVED

The Ministry of Business, Innovation and Employment has announced that it has given the first approval of an application to initiate bargaining for a proposed fair pay agreement. The application, made by First Union, covers bus and coach drivers, as well as cleaners, who work in the bus industry. It covers those workers in local and long-distance transport, though not those in the sightseeing industry. The notice by MBIE noted that the Union application relied on the 1,000 employees' representation test. Using personnel contact details required to be supplied, the Ministry conducted a random sample to verify this information.

Other applications have been submitted covering the hospitality, supermarket, security and cleaning industries.



PUBLIC DEVICE CHARGING PORT SAFETY

A cyber security expert says he is surprised by how many New Zealanders are casual about the dangers posed by plugging their phones and laptops directly into USB chargers in public places.

Naturally public charging stations are conveniently dotted around malls, airports and hotels across the country. Overseas some hotels will have these charging ports in their rooms, and they are becoming prevalent on luxury buses and in some planes.

Cyber security agency Cert NZ has echoed warnings recently issued by the United States FBI advising the public to avoid using all of these due to the threat of hacking. Hackers have devised ways to infiltrate the bits of software and hardware behind the charging stations, so that an attacker can potentially use these to load either malicious software onto devices or extract data directly from them. With both these methods, they will be able to obtain personal, other sensitive or financial information using remote access.

Knowing if your phone has been compromised is tricky but there are some signs to look out for – e.g., if your phone is operating noticeably slower than usual or if you get different apps or windows popping up that you don't expect or have not downloaded.

More generically keep two-factor authentication on your accounts, maintain good password hygiene, keep your devices updated and be aware that it is necessary when away from home to bring your own charging device which you can plug into a wall socket.

BANKS ANNOUNCE SEVEN DAY PROCESSING OF DOMESTIC PAYMENTS

Along with seven-day processing of domestic bill payments, automatic payments, direct credits and direct debits, the move changes the way interest on overdrawn accounts is accrued. Previously, interest accrued on a non-business day (Saturday, Sunday or a public holiday) by using the balance at the end of the previous business day e.g., accrued interest for a Saturday and a Sunday was calculated using Friday's balance.

From 27th May (the seven-day payment processing start date), transactions you made or received each day are processed daily and interest on your overdraft accrues daily using the outstanding balance at the end of each day.

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GET READY FOR LESS SINGLE USE PLASTIC PACKAGING

From 1 July this year, the next step in phasing out single-use plastic bags and other hard-to-recycle plastics will commence. Items to be banned or restricted include:

- Single-use produce bags such as the ones you put your fruit and vegetables in at the supermarket. However, this ban does not include the bag if it is an integral part of the pre-packaging e.g., leafy greens or herbs in an unsealed plastic bag, or a sealed bag of potatoes.
- The sale of single-use drinking straws will be banned. However, until 2026, single-use plastic drinking straws will still be able to be used if they are attached to a beverage box (e.g., milk or juice) by a machine.
- Single-use tableware, including platters, and plastic cutlery of the type used at parties will become unavailable. The ban will include plastic cutlery sold with single-serve ice-cream and salad portions.

TOTAL REMUNERATION APPROACH TO KIWISAVER

Kiwisaver, the retirement savings scheme, is closely associated with the labour market. Membership is high, with over 3 million workers in the Scheme, representing 96% of the working age population. However, 'non participation' rates are also high, with a third of members not currently contributing to their account.



From research it is known that 66% of non-participating members are experiencing periods out of the labour force - studying, parenting or being unemployed. Although being in paid work is not a criterion for contributing to Kiwisaver, the employer contribution (or the 3% 'match') is

considered a significant incentive for employees to participate. The reasons for the other 35% non-participating remain unknown.

Recent research across 306 businesses nationwide revealed that 45 per cent of these use a total remuneration approach to KiwiSaver for at least some employees. This approach includes the employer's KiwiSaver contribution within the total amount of remuneration available to the employee rather than as an additional 'on top' amount. The use of total remuneration approach by employers in this survey does not appear to be influenced by organisational type (i.e., size, private vs public firm) and it appears that some employers use both approaches.

It was not how KiwiSaver was designed to operate but is not legislatively prohibited so long as the outcome is the result of good faith bargaining.

The legislation also includes a provision, described as being for the avoidance of doubt, which explains that a duty of good faith applies when parties to an employment relationship bargain for terms and conditions relating to

compulsory contributions and associated matters. It is interesting to note that where an employer uses both approaches, general staff are more likely than senior staff to be paid under a total remuneration approach. This suggests senior staff are more likely to engage in robust good faith bargaining when considering an employment offer.

The prevalence of a total remuneration approach to Kiwisaver may explain why some salary or wages earners who are Kiwisaver members choose to take a savings suspension. Suzy Morrissey of the Retirement Commission commented that it suggests the question needs to be asked if the Kiwisaver legislation is written in a way that really supports people to undertake savings for retirement.

A NEW TRAVEL TREND!

At a recent Australian Tourism seminar, Tourism Australia managing director Phillipa Harrison outlined a number of emerging trends, several of which called out the new ways people were travelling in that country after the pandemic.

One, which according to Harrison is not just a passing trend, is the 'workcation'. When working from home became the norm in the last few years, some people were quick to take advantage of the freedom and worked from holiday: a behaviour that coined the term 'workcation'.

Although digital nomads have always been out there, there are a lot more nowadays and since people can work for a few days while at a destination, tourism companies are getting searches and enquiries for longer stays, with 25% of travellers looking for trips of four or more weeks.

FIVE HABITS KEEPING YOU POOR

New Zealand's Debt to Income Ratio is at a record high – two reasons are that Kiwis know how to buy houses but many of us do not know how to handle our finances properly. Here are the five top culprits that undermine our financial security:

Expensive hobbies: large consumer companies spend millions of dollars in bombarding you with advertising on the latest. But updating yourself with whatever is on trend every 4 or 5 years might feel nice along with spending on expensive hobbies like horses, amateur car racing, or vintage vehicles, to name a few, will keep you poor. Hobbies are some of the great joys in life: either tone the habit down or simply earn more money to service your happiness.



You pay yourself last: You pay your rent, subscriptions, mobile phone bills etc, then dip into the credit card if money runs short; rich people pay themselves first, not last. If you don't have enough money to pay all your bills and save,

you either have a budget problem or an income problem. Work out what it is and fix it.

Too comfortable with debt: Banks make billions of dollars annually on the interest on the debt you owe them. Remind yourself there is good debt and bad debt. Good debt makes you money; investing in a business or an investment property that yields rental income is a good example. Bad debt is credit card and personal loans used to purchase stuff easily disposable and experiences soon forgotten. The interest on these forgotten items could be many more times the original amount owed. Establish a plan to pay off your debts as quickly as possible; a common way is to start with the highest-interest debts and work your way down.

Not budgeting: There is a relatively modern phenomenon called lifestyle inflation; the more money you earn, the more money you spend. Completing a serious family budget will reveal bad spending habits and obvious money-saving options. If you maintain spending discipline, you may be surprised how much you can save.

Don't care about money! This is a big one. From financial advisers' point of view, the single biggest issue is that people sleepwalk through their finances, unaware that their daily spending habits could have a net long-term effect.

STUDENT LOAN THRESHOLD CHANGES

As from 1 April, the threshold for Student Loan Repayment deductions from wages changed – employees earning under \$22,828 per annum are no longer required to make student loan deductions.

In terms of gross wages, the threshold increases for earnings paid weekly to \$439 per week while for a fortnight it is \$878.00.

TIE ME KANGAROO DOWN, SPORT!

The Taxpayers' Union recently released a report saying taxpayers should be 'hopping mad' about a \$153,000 kill cost per wallaby, after the Union received information of the wallaby eradication data supplied by Biodiversity NZ.

A number of the species were released into New Zealand between 1858 and 1870, mainly around the Rotorua area on Kawau Island and in the high country of the South Island.

According to the report, taxpayers and the Otago Regional Council ratepayers forked out \$2.76m and worked more than 26,000 hours on a wallaby control programme that eradicated just 18 wallabies. The taxpayers' proportion of the funds came from the Jobs for Nature fund, a programme launched during the Covid response.



The North Island species, the dama, is mainly located in Rotorua and on that region's boundary with the Bay of Plenty. Control here aimed at limiting the spread of the population outside these areas.

In the South Island a species of wallaby, known as Bennetts wallaby, is becoming prevalent to pest numbers. It is the largest species of wallaby, standing up to 800mm tall with a tail of slightly shorter length. Adult wallabies are primarily grazers, feeding on a wide variety of indigenous and exotic grasses and herbs. Naturally elusive and nocturnal, they feed at night. They compete with livestock for pasture, destroy productive farmlands, and damage crops, young trees and fences. Moreover, sheep and cattle will not eat grasses where wallabies have camped.

Livestock Valuation – National Average Market Herd Values 2020 - 2023

Type	Category	2020	2021	2022	2023	\$ Change	% Change
Sheep	Ewe Hoggets	108	123	143	136	-7	-4.9%
	Ram & Wether Hoggets	105	119	143	134	-9	-6.3%
	2th Ewes	177	191	224	205	-19	-8.5%
	M/A Ewes	156	174	202	177	-25	-12.4%
	5 & 6 yr Ewes	128	153	176	144	-32	-18.2%
	M/A Wethers	105	129	147	120	-27	-18.4%
	Breeding Rams	340	323	384	372	-12	-3.1%
Beef Cattle	Rising 1-yr Heifers	526	563	665	742	77	11.6%
	Rising 2-yr Heifers	888	911	1038	1153	115	11.1%
	M/A Cows	1090	1138	1328	1334	6	0.5%
	Rising 1 yr Steers	678	716	808	920	112	13.9%
	Rising 2 yr Steers	1035	1088	1242	1353	111	8.9%
	Rising 3-yr Steers	1315	1391	1587	1686	99	6.2%
	Breeding Bulls	2950	2894	3158	3533	375	11.9%
Deer Red/Wapiti/ Elk	Rising 1-yr Hinds	236	174	189	219	30	15.9%
	Rising 2-yr Hinds	405	327	355	410	55	15.5%
	M/A Hinds	430	349	379	440	61	16.1%
	Rising 1 yr Stags	283	212	242	273	31	12.8%
	Rising 2 yr Stags	455	420	475	595	120	25.3%
	Breeding Stags	1990	1873	2131	2425	294	13.8%

THE UNSPOKEN RULES OF NEW ZEALAND LIFE!

Obey the Aunties

Never ever pay the full price for anything in Briscoes or Kathmandu!

One must always thank the bus driver.

You are required to declare "Just these, thanks."
when buying at the local dairy

Nod downwards for strangers and upwards for the bros

Say hello to people you walk past on a walking track or beach.

Raise a hand with slight nod for the driver who
stops for you at a pedestrian crossing.

On road trips you must honk going through a tunnel
and you must hold your breath over long bridges.

You must moo at a cow at least once during a road trip.

Children's birthday parties must feature cheerios and fairy bread.

