



A GOOD PIE

A Portfolio Investment Entity (PIE) is a type of investment that may have tax advantages for you. Depending on the “prescribed investor rate” (PIR) chosen, the tax liability on the investment income is able to be capped at 28%. This can be a material benefit to investing in a PIE – depending of course on the circumstances of a specific investor.

When the top personal marginal tax rate increased to 39% and the income tax rate for trusts subsequently increased to 39%, there was a natural expectation that the PIE income tax rates would also increase.

To date, there has been no indication that the top tax rate applying to investors in PIE’s will change and hence investments into PIE’s continue to receive a comparative tax benefit of potentially 11%, being the difference between the capped rate of 28% and the top rates of 39%. That has also given rise to an increase in the number of banks and fund managers that provide PIE investment products.

PIE investments are worth bearing in mind the next time consideration is being given to a passive investment and when comparing post-tax yields between the various options.

SCHEDULAR TAX DEDUCTIONS - A REMINDER

As the season ramps up again, it is noteworthy that the Inland Revenue is active in pursuing compliance in relation to contractors not meeting their withholding tax obligations.

If you pay agricultural, horticultural or viticultural individuals, partnerships, trusts or companies for predominantly the supply of labour (think shearers, fencers and pruners) withholding tax must be deducted at the default rate of 15%, unless an exemption certificate is supplied. The deduction is best processed through your payroll software and submitted to the IRD. However, if you are registered with the IRD and do not have payroll software, the details can be submitted via MyIR PAYE.

TIME FOR A KIWI CLARKSON?

Former Top Gear host Jeremy Clarkson’s attempts to run a 1,000 acre farm near Chipping Norton in the English Cotswolds, and his pathway through muddy misery towards potential ruin has proven a huge success. The boost it has given the image of farming in the UK has prompted one

scribe to suggest, tongue in cheek, that New Zealand find its own “Clarkson” to further raise the profile of Kiwi farmers. The problem is we are fairly short of celebrity candidates prepared to be newbie farmers putting considerable capital at risk!

THE HAKANUI STRAIGHT

If you drive daily between Te Karaka township and town, or head north on an infrequent road trip, you will notice work on NZTA’s Flood Resilience Project at Nesbitt’s Dip is moving at pace. The upgrade work is to elevate the highway and improve drainage in the area as the “dip” is prone to significant seasonal flooding with consequent road closures. This SH2 link is critical to communities to the north, especially so in an emergency to allow safe evacuation, and for freight heading to the Bay of Plenty.

The upgraded stretch of the highway is to be named Hakanui Straight after the local stream that runs to the nearby Waipaoa River. The “about to disappear” dip was so called because a well-known family, the Nesbitts, lived on the river flats beside the Waipaoa, and ran a haberdashery shop in the village of Te Karaka. For good reason their cottage was moved up on to the hill at the south end of the dip and was subsequently lived in by locals, the Lawries, the Savilles, Isaac O’Brien and lately Hamish Smith.

POVERTY BAY A&P SHOW

17th & 18th OCTOBER 2025

PET COMPETITION

The Poverty Bay A&P show will again be packed with all the attractions and entertainment for which it is renowned. Graham & Dobson, a Diamond sponsor of this annual Spring event, continues our support with sponsorship of the Show’s Pet Competition to be held on the 18th October with prize money, goodie bags and ribbons for two classes of pet participants (and their owners!). See back page for details.



For further information about the show - www.gisborneshow.co.nz

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NICHING, MICRO-INFLUENCERS & TIKTOK CAN GROW YOUR BUSINESS...

Some of today's most effective business strategies come straight from Gen Z playbooks but they are not just for the young. These three trends are helping all sorts of businesses connect with customers in smarter, more authentic ways.

Find your Niche – if you are trying to appeal to everyone but getting lost in the crowd, it might be time to narrow your focus with a strategy known as niching – think book-keeping services tailored to freelance creatives who hate spreadsheets, or a job scheduling app that helps tradies manage tools and timelines with ease. By offering something more specific, you might have a smaller pool of clients, but it will be easier for them to find you and recognise your value straight away. Plus niche businesses benefit from lower advertisement spend, stronger branding and more loyal customers.

Work with micro-influencers – you don't need a Kardashian, you just need someone your audience trusts.

Micro-Influencers (typically with 10k to 100k followers) have strong engagement with dedicated communities and they could be a local foodie, a fitness coach or a real estate agent. They are relatable, cost-effective and their endorsement feels real because they are.

Ask your customers who they follow as many micro-influencers are open to partnerships: just reach out with a clear idea of your product, values and what you are offering.

It's TikTok o'clock – TikTok has become a discovery engine for small brands. The app's algorithm favours authenticity over polish so you don't have to hire a social media manager to post daily: even one well-made post can take off. Use it to show behind-the-scenes moments, answer FAQs or share real customer stories.

Dipping your toes into modern marketing? Have a chat with someone young in your network – they might be the shortcut you need into this new world of marketing.

ON-FARM DIVERSIFICATION BRITISH STYLE

Diversification has become a necessity for arable farmers to survive financially with UK agriculture in a difficult space, particularly in the cereal sector. Exploring the growing of alternative crops and other revenue streams is now fostered by agricultural financial institutions to spread risk and adapt to changing environmental conditions.

Bioenergy crops such as miscanthus or hemp, appear to be offering an eco-friendly alternative, while seasonally driven options like crop or sunflower mazes, pumpkin patches, spring flowers to pick and farm tours can provide an interactive way for consumers and often appeal to families and schools looking for educational experiences.

Simple, practical and popular ideas like the use of older farm buildings for office rentals are allowing farmers new revenue streams beyond traditional crop sales and Euro subsidies.

One such farmer, Olly Harrison, farming on the outskirts of Liverpool, has truly taken advantage of being on the urban fringe. Harrison farms arable crops such as wheat, barley, spring beans, rapeseed, grass and bird seed – the bird food crop is grown under a UK subsidy as part of a Sustainable Farm Initiative and is very worthwhile. However, not only has he turned farm buildings into residential lets, but charges £10 an hour for people to walk



their dogs in one of his fields. He has also established a small animal hotel as a cheap conversion in an existing farm building. He explains that “while there are a lot of accommodation facilities for cats

and dogs, no one is specialising in small pets like rabbits, hamsters and guinea pigs!” Consequently, he was recently paid £2000 for a pigeon to be housed while the owners travelled for six months.

Harrison revealed that while turnover is split 50-50 between on and off farm activities, 100% of the profit comes from diversification. So, he has recently started a YouTube channel which not only attracts advertising revenue but also gathers general public support for farming issues in order to lobby the government.

INLAND REVENUE SCRUTINY

Imagine you are pulled over by a police officer and asked, “were you speeding?” – given the consequences you will feel unsure of the right answer.

That is how it can feel when Inland Revenue notifies you of an audit or investigation – on one hand you know it is part and parcel of doing business, and on the other hand you will wonder why me! However, there is no need to overthink the matter.

From the outset it is important to acknowledge that the person from the IRD is just doing their job. If a request for information is received, the process needs to be handled proactively and deliberately, and the first step should be engaging with your accountant. Typically, an initial information request is from an IRD template which is not tailored to a particular business, industry or taxpayer and this approach tends to ask for a large volume of information, some of which may be irrelevant or immaterial.

For your accountant, engaging with Inland Revenue is an ordinary part of the job. It is quite normal that in response to the initial request there is contact with the Inland

Revenue to agree on timeframes, processes, meetings and relevant information to be provided. All of which might not be outlined in the first letter but ensures the investigation is open and transparent and moves as efficiently as possible. In practice, IRD are also understanding when it comes to working around the needs of the business – if the business is subject to seasonal activity or “month-end” processes, IRD are usually willing to minimise any disruption with flexible timeframes.

If there is an initial meeting with IRD, consider giving a presentation on the business covering the legal structure, physical business operations, locations, number of staff and the accounting function. This could assist in minimising the number of follow-up questions. It is important to be clear and concise and allow your accountant to answer queries (verbally or in writing) that are more “tax technical” in nature.

All going well, nothing material is identified for adjustment, the process concludes with a tick of approval and the comfort that you were not “speeding” after all!

THE FARMER IN THE HELL

Have you ever wondered about the small cluster of farm buildings beneath Trafford's Hill at the head of the incessantly winding road of the Waioeka Gorge?

Prior to WW1, Alick Trafford lived there and in nearby bush camps, tasked with the back-breaking toil of clearing the rugged slopes with a crosscut saw and axe, in an effort to forge a living from hill-country sheep and cattle farming.

On 1 January 1916, as the sun stabbed its rays through the mist, Alick saddled up his horse and rode out of the valley *"perhaps forever."* He had volunteered for the NZ Rifle Brigade and had begun his long journey to the brutal trenches of the Western Front.

Fast forward to the 1970s - with a head full of thoughts pursuing him into retirement, he bid his son Harvey to enter his ceiling cavity, find a secret package and burn it. Wrapped in old army waterproof cloth were his war diaries. Volumes of them, fully packed with words.

The diaries never reached the fire and are now re-written as a book - *"Into the Unknown"*, authored by his grandson Ian Trafford, and published by Penguin.

With their toughened hides, Kiwi farmers were well suited to the physicality of army training, living rough and fighting battles.

On his first stint in the trenches Alick writes:

"Fat, bold corpse rats are king and live alongside the men, chewing on anything they can, alive or dead."

"We are moved to dugouts further along, closer to the most active German firing line – our new earth homes about the size of a dog kennel for four men to supposedly sleep. "

"The rats are red hot, biting at any exposed flesh, usually starting with our ears. We are deathly cold in our saturated

gear. We were wrong if we thought life could get no worse."

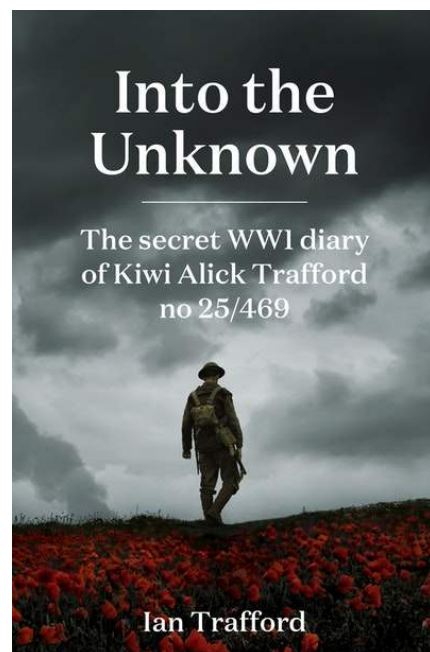
Alick is an astute observer and sensitive soldier. His words cut through the propaganda of the time. Although totally disillusioned with the industrial killing machine, in a game of last man standing, he rises through the ranks from the lowest of low to company sergeant major, leading men into battle at Passchendaele, and agonising over the heartbreak of seeing his friends and his men cut down.

"At some stage a 5.9 comes in right on target, without warning. Our earth home explodes around us. I am suddenly suffocating under the heavy pressure of mud, completely buried by the blast. I have come off best of all. I set to with my spade. We drag two shocked men out alive. The third man, poor Evans, is limp. Killed by the percussion. I bury him alongside..."

By the time they are relieved from front line duty, *"Only a dozen men of my platoon are left"*.

Away from the front, on leave and injury convalescence, Alick is determined to snatch moments of joy. In such an emotionally accelerated tumultuous time and with so many men lost to war, once he sheds his shyness, he finds the women of England, France and even Germany are eager for contact with the opposite sex - especially a handsome and intelligent foreign soldier. As he states, *"I have found myself in clover"*. On leave, his well-to-do English relatives spoil him like a long, lost son. Back at the front, reasons to live spur his survival instincts. Many times over, his sixth sense saves him from certain death.

Post war years are a story in themselves. He was now part of an uncomfortable generation of young men, aged and wise beyond their years, whose talk of war was intense and booming, but only in the echo chambers of their minds.



Back home on the Waioeka farm, the everyday challenges of farming such a rugged gorge are amplified by the insidious creep of post war PTSD. The solace of nature, the support of a new, loving wife, Ivy Newman, and his resilience and tenacity eventually get him through the seemingly unsurmountable, by the skin of his teeth.

This is the story of an ordinary Kiwi in extraordinary times. The vivid detail of Alick's diaries will answer questions for anyone who had family in this un-great war.

Do glance right next time you travel westwards over Trafford's Hill.



Pet Lamb & Goat Competition

Saturday 17th October 2025

8:45 am Meet, with your pet at the Lawson Field Area **9.00 am** Judging

- ★ Animals must be born since 1 July 2025
- ★ Animals must be hand reared by exhibitor
- ★ Entries to be judged as pets
- ★ Exhibitor to be under 16 years of age

RIBBONS WILL BE AWARDED TO PRIZE WINNERS - AS WELL AS:

AGE 7 YEARS & UNDER Class 1: Child's Pet Lamb Or Kid Goat - Dressed

Class 2: Child's Pet Lamb Or Kid Goat - Undressed

AGE 8 - 16 YEARS Class 3: Child's Pet Lamb Or Kid Goat - Dressed

Class 4: Child's Pet Lamb Or Kid Goat - Undressed)

*Classes will be combined if numbers are low

PRIZES FOR
EACH CLASS



\$50



\$35



\$25



\$15

Most Entries From One School \$250

No entry fee



**graham
dobson**
AND
CHARTERED ACCOUNTANTS



**Poverty Bay A&P
Show 2025**

Royal A&P Show

Celebrating 150 Years