



A lot is happening across the rural sector right now. Rising fuel costs are putting pressure on day-to-day operations, while changes to immigration settings are starting to ease some of the strain around finding staff. At the same time, strong commodity prices mean many businesses are on track for a better-than-expected year, bringing opportunities, risks and a few tax considerations.

As the seasons shift and the days get shorter, it's a good time to stay on top of your numbers and plan. In this issue, we cover these key topics before taking a closer look at where smart tech is delivering real value on farms, and what's actually worth investing in.

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What rising fuel costs mean for farmers and growers

We're all feeling pain at the pump, but rising petrol and diesel prices are hitting the primary sector harder than most. From machinery and irrigation to transport, fuel sits at the heart of farming and growing operations. And it's not just fuel: urea prices have climbed too.

These pressures are pushing up operating costs, so it's worth taking a closer look at where things stand and what you can do next.

Starting from a position of strength

Much of New Zealand's rural sector has entered this period on a relatively solid footing. Dairy prices have strengthened, beef is trending upward, lamb has been steady, and horticultural exports such as apples and kiwifruit are tracking well overall.

Fuel supply itself remains stable. We are currently in Phase 1 of the Government's Fuel Response Plan, meaning fuel is arriving as expected and there are no restrictions in place.

The Government has also taken steps to strengthen supply resilience, working with Z Energy to secure an additional 90 million litres of diesel, expected to arrive in June or July, as a buffer against potential supply disruptions.

Supply isn't currently an issue, but price volatility is

You can't control global fuel prices, but you can stay on top of how it's used on your farm or orchard:

- **Maintain machinery.** Check tyre pressure, wheel alignment, and keep up with regular servicing.
- **Check trailer tyres too.** They're easy to overlook, but worn tyres can seriously bump up your fuel use.
- **Cut idling time.** Idling uses more fuel than you'd expect, so switch off if you're stopped for more than a few minutes.
- **Slow down.** Even small reductions in speed can make a big difference over time.
- **Choose tyres carefully.** Low rolling resistance tyres can help you get more out of every litre.

If rising costs are starting to sting, it may be a good time to revisit budgets and cash flow forecasting with your accountant. And if you have any upcoming expansion plans, we can help you weigh the benefits against the need to protect your buffer.



Hiring help on the farm is getting easier

If finding and keeping good staff has felt like a constant challenge, there are signs that some of that staffing pressure is starting to ease.

Part of this comes down to recent updates to the Accredited Employer Work Visa (AEWV), which many farmers use to hire staff from overseas. These changes have made it easier and more practical to bring in workers for entry-level and intermediate roles, with longer visa durations and fewer barriers in some cases.

More flexibility at peak times

From 8 December 2025, two new seasonal visa options became available under the AEWV framework:

- **Peak Seasonal Visa**, valid for up to seven months, is suited to entry-level seasonal roles like calf rearers, relief milkers, and wool handlers.
- **Global Workforce Seasonal Visa**, valid for up to three years, is for skilled seasonal roles such as agricultural technicians, wine makers, and shearers.

The goal of these new pathways is to help accredited employers find seasonal workers when demand spikes. It gives you more options, a wider talent pool, and more certainty when building your team and planning. To learn more, head to the New Zealand Immigration website.

Smart tech on the farm: What's worth investing in?

From virtual fencing to real-time pasture data, smart tech is changing the way we farm. New tools are being embraced across New Zealand's agricultural industry, but with more options come more price tags and subscription packages, so it's important to ask: what's actually worth your money?

Four NZ farming tools worth considering

A growing number of New Zealand-developed tools are helping farmers and growers work smarter day to day. Here are a few of the innovations that have come out of our own backyard.

1. Livestock management

Halter's virtual fencing is reshaping how stock is moved and monitored for family-run businesses and large operations across the country. It uses satellite-enabled virtual GPS collars to guide animals and track behaviour without the need for physical fencing.

2. Animal health and performance

Platforms such as Herd-i give you better visibility around animal health, weights, and performance, helping you make faster, more informed decisions.

3. Precision inputs and cropping

SpreadWise, developed by Ballance Agri-Nutrients, is a digital mapping tool that helps you apply fertiliser to your farm more precisely, reducing waste, improving efficiency, and limiting your farm's environmental impact.

4. Environmental monitoring and compliance

Founded in New Zealand and now headquartered overseas, cloud-based software CropX provides real-time soil data, helping farmers monitor soil conditions and optimise irrigation and nutrient use, while supporting environmental compliance.

Find the tech that's right for you

The farms seeing the most value aren't the ones with the most tech, but the ones using it consistently and with a clear purpose.

Before investing, it's worth asking a few questions:

- What problem am I trying to solve?
- Will this genuinely save time, reduce costs, or lift production?
- How easily will this fit into day-to-day operations?
- When will I see a return?

If you're considering new tech this year, build it into your budgets and cash flow planning early. Some investments may be depreciable, so it's worth talking it through with us first.

Three key changes for employers in 2026

A few recent and upcoming changes may impact your payroll, pricing, and employer obligations. A quick check now sets you up for a smoother year ahead.

1. Minimum wage increase

From 1 April 2026, the adult minimum wage increases to \$23.95/hr and the starting-out and training wage to \$19.16/hr. Check that payroll systems, employment agreements, and pricing remain aligned with the higher costs.

2. KiwiSaver contribution changes

From 1 April 2026, the default KiwiSaver contribution rate increases from 3% to 3.5% for both employees and employers. Employer contributions will also apply to KiwiSaver members aged 16 and 17. Review your payroll settings to ensure contributions are applied correctly.

3. Fringe Benefit Tax updates

Recent FBT changes provide more flexibility and better align tax rates with employee earnings. Inland Revenue has also clarified that open-loop gift cards are generally taxed under PAYE, while retailer-specific cards usually remain subject to FBT. If you provide staff rewards, it is worth checking they are being taxed correctly.

TAX UPDATE:

Check your provisional tax

Stronger commodity prices and improved production mean many farmers and growers are having a better-than-expected 2025–26 year. That's great news - just don't let a strong year turn into a bigger tax bill than expected.

If you're using the uplift method (last year's tax + 5%), it's worth checking your provisional tax to make sure you're not underpaying without realising it. Is this year tracking ahead of last? A quick review now can help you stay on top of things and avoid a larger terminal tax bill and interest charged by Inland Revenue.



Is it time to look at your business with fresh eyes?

Tax returns and year-end accounts are essential, but the real value lies in treating your accountant as an advisor: someone who helps shape where your business is heading, not just where it's been.

A proactive conversation early in the year can help you:

Plan for tax rather than react to it

Provisional tax shouldn't come as a surprise. We can model expected profit, test different scenarios, and give you a clear estimate of what you're likely to owe well before payment dates hit.

Understand your break-even point and profit margins

Do you know exactly how much revenue you need each month to cover fixed costs? We can calculate your break-even point and identify which products or services are truly driving profit

Forecast cashflow and stress-test growth plans

Mapping your cash inflows and outflows each month gives you clarity when you ask questions like: What happens if sales slow for a quarter? If a key client pays late? If costs creep up again? It's far easier to make small course corrections early than face a cash squeeze later.

Check whether pricing still reflects your cost base

Between minimum wage increases and supplier cost rises, margins can tighten without you noticing. A quick pricing review can protect profitability before pressure builds.

Think about how you pay yourself

Your business and personal finances are closely linked. Taking money from the business thoughtfully can help avoid tax surprises and keep cashflow steady.

Strengthen conversations with your bank or lenders

Clear forecasts and well-prepared financial summaries from your accountant demonstrate viability and repayment capacity. That preparation often changes the tone of lending conversations.

If you'd like 2026 to feel more strategic than stressful, now is a good time to schedule a conversation.



Things to watch

Keep an eye out for these two changes on the horizon.

Surcharge ban

The Retail Payment System Amendment Bill has passed its first reading and is expected to take effect by May 2026. If enacted, it will ban most in-store surcharges on EFTPOS, Visa, and Mastercard transactions.

We'll keep you updated as details are finalised.

PAYE – It was never your money

IRD's recent alert (RA 26/01) clarifies a critical distinction: PAYE is not a standard business bill.

Because these funds are deducted from employee wages, the IRD views them as money held "in trust" for the Crown. Using these funds to cover other business costs is now viewed as misappropriation, not just a late payment.

Escalation to criminal charges

IRD is moving away from just use of money interest and penalties (late payment and shortfall), and toward criminal prosecution for those initially using PAYE as an interest-free loan.

- *Prison time:* Serious or repeated failures can lead to up to five years in prison.
- *Personal liability:* Directors can be held personally and criminally responsible for these decisions; the "company" shield will not protect you.

How IRD judges conduct

The department looks for patterns of behaviour rather than one-off accidents:

- *Intentional deferral:* Choosing to pay rent or suppliers over PAYE.
- *Repeated failure:* Missing multiple months while the business continues trading.
- *Avoidance:* Failing to communicate until the IRD initiates enforcement.

What you should do

If cash flow is tight, your window to act is small.

- *Prioritise PAYE:* This must be the first bill you pay, even if others go late.
- *Engage early:* Contact the IRD *before* the due date. They are far more cooperative with proactive businesses.
- *Get advice:* If you're tempted to use PAYE to survive the month, seek professional help immediately.

Key Changes to KiwiSaver

Significant updates to KiwiSaver have rolled out over the past year.

Here is what you need to know about your contributions and government "top-ups."

Changes from 1 July 2026

Government match halved: The annual Government Contribution dropped from a 50% match to a 25% match. The maximum annual payment is now \$260.72. To receive this full amount, you must contribute at least \$1,042.86 personally by 30 June each year.

Teens included: 16 and 17-year-olds now qualify for the government's 25% matching contribution.

High-earner cap: Those earning over \$180,000 annually are no longer eligible for the government top-up.

Changes from 1 April 2026

Default rate increase: The standard contribution rate for both employees and employers has risen from 3% to 3.5%. This applies to all pay received after 1 April.

Employer matching for teens: Employers must now pay the 3.5% matching contribution for 16 and 17-year-old staff.

Rate reductions: If the 3.5% rate is unaffordable, you can apply for a Temporary Rate Reduction to stay at 3% for 3–12 months. This is repeatable, but your employer's match will also drop to 3%.

Changes from 1 April 2028

From 1 April 2028, the default contribution rate for both employees and employers will rise again, from 3.5% to 4%.

Maintain the integrity of a family trust

Managing a family trust requires a clear distinction between your role as a trustee and your status as a beneficiary.

To maintain the trust's integrity, follow these essential practices:

- *Governance and independence:* Trustees must manage the trust as a separate legal entity. Decisions should generally be unanimous and must be formally recorded in signed minutes.
- *Separation of funds:* It's critical to keep trust assets strictly separate from personal finances. Even if you're a beneficiary, you can't access funds at will.
- *Documenting distributions:* When withdrawing funds, the minutes must specify the nature of the payment. Common classifications include:
 - a distribution of trust income
 - a distribution of trust capital
 - a reduction of debt owed to the beneficiary or the creation of an interest free loan.
- *Fiduciary duty:* Before making any distribution, trustees must demonstrate they have considered the interests of all beneficiaries. While you must record that this consideration has occurred, you're not required to document your specific reasoning.

The bottom line: While beneficiaries can certainly receive income from a trust, they must always act through the formal authority of the trustees to ensure the entity remains compliant and protected.

The promising signs that New Zealand's business confidence is coming back

After several challenging years, there are promising signs that New Zealand's business sector is shifting out of survival mode and into a more confident, growth mindset, albeit tempered by the current global uncertainty.

The confidence trajectory

The disruption began with COVID-19. While stimulus measures and pent-up demand drove a short-term rebound, the years that followed brought a different kind of pressure. Inflation surged. Interest rates rose rapidly. Wages and supplier costs climbed. For many SMEs, revenue struggled to keep pace with expenses. In 2023 and much of 2024, there was a fairly subdued mood among Kiwi businesses. But last year, that tone began to change.

Signs of a shift

Through late 2025 and into early 2026, business surveys and sector data began to reveal a lift in both sentiment and activity:

- **Business optimism is up.**
In the NZIER Quarterly Survey of Business Opinion, [a net 39% of firms expected better general economic conditions](#), a sharp rise from earlier in 2025 and the highest reading in over a decade.

And while the [ANZ Business Outlook survey showed that business confidence has eased from its 30-year high in December 2025](#), it remains strong.

- **Investment is returning.**
MYOB research reported that [more than one in three New Zealand SMEs plan to invest](#) in growth initiatives in 2026, including training, diversification, and new technology.

Early-stage investment activity has also improved, signalling renewed appetite for longer-term growth opportunities.

- **More businesses are looking to hire.**
The NZIER Quarterly Survey of Business Opinion reported a [net five percent of firms had increased staff in the December quarter, and a net 22% are planning to hire in the coming quarter.](#)

Taken together, these signals suggest many SMEs are beginning to move from defensive cost control toward cautious growth. But unlike the credit-fuelled expansion of the mid-2000s and the stimulus-driven rebound of the early 2020s, this recovery feels more disciplined with investment decisions grounded in margin awareness and realistic forecasting.

If growth is on your mind, we're here to help you plan it.

Tax Calendar – June 2026

DATE	CATEGORY	DESCRIPTION
22 June	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during May.
22 June	PAYE	Large employers payments due for deductions made 1st – 15th June. Small employers payments for deductions made in May. File employment information within two working days after payday.
29 June	GST	Payment and return for May.
29 June	Provisional Tax	Instalment due for May balance date taxpayers

Note: any provisional tax due dates noted apply to those clients who pay provisional tax on the standard uplift or estimation basis and have a May balance date. Different dates apply for those clients who have different balance dates, or use the ratio or AIM method. Contact us if you would like to check your provisional tax payment obligations.

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