

MAY 2025 NEWSLETTER

As another spring calving farm season draws to a close, we hope you have all enjoyed the lovely Autumn days over the past few weeks. Let's hope we have a kind winter ahead for all.



2025 BUDGET ANNOUNCEMENTS

The Government announced the “INVESTMENT BOOST” in the 2025 Budget. What we know to date is:

- Businesses can deduct 20% of the cost of new assets (or new to NZ) in the year that they purchase the asset.
- You can claim both the Investment boost and the standard depreciation deduction on the remaining 80% in the year you purchase the asset.
- What DOES it cover: Machinery, Equipment, Vehicles, Commercial Buildings (if under construction before 22 May 2025, this may still qualify if not used or available for use for the first time at that date), Technology and other capital assets. It also includes Improvements to farmland, planting of listed horticultural plants, improvements to aquacultural business and improvements to forestry land.
- What it does NOT cover: Land, Trading Stock, Residential buildings, assets that have previously been used in NZ.
- There is no value limit or the number of eligible assets you can claim on.

The Government also announced changes to the KIWISAVER RULES:

- Default rate of Employee and Employer Contributions will rise from 3% to 4% in two steps over a three-year period. From 1 April 2026, the rate will rise to 3.5%, from 1 April 2028 to 4%
- Government Contribution will be halved to 25 cents for each dollar a member contributes each year (up to a maximum of \$260.72) from 1 July 2025.
- Members with an income of more than \$180,000 will no longer receive the Government Contribution from 1 July 2025

ANNUAL TEAM BIG DAY OUT

We headed out on our annual Team Big Day Out earlier this month. This included a site tour of the Fonterra Kauri Site and then we headed to inspirational farmers Geoff & Jo Crawford to learn what real resilience was all about following the April flood.





MAY BALANCE DATE END OF YEAR PLANNING

- For all our 31 May balance date clients your 2025 end of year questionnaire link will be hitting your inbox before the end of May. Don't forget to count your livestock on 31 May!
- We will be updating all the 2025 Estimates of Taxable Income in preparation for the June provisional tax payments. Your client manager will be in contact with you early June with the information needed to get these updated – keep an eye on your inbox for these emails

FONTERRA CHANGES TO FMP OFFERING

- Fonterra are expanding their Fonterra Price Risk Management programme to now include the following four services:
- Fixed Milk Price: The current model where you can fix for the current year supply at a cost of 10c.
- Minimum Milk Price: Securing a price floor for a portion of your milk supply but being able to participate in the upside. This will have the 10c cost PLUS a premium to be advised at each offering.
- Milk Price Range: Enabling you to secure a price floor (minimum) and a price cap (maximum) for a portion of your milk supply at a cost of 10c.
- Fixed Milk Price - Additional Season: secure a price for a specific portion of your next season's milk supply (maximum 30%) at a cost of 13c.
- Under all options the total you can have fixed for any one season is 50%. We encourage you to check out Farm Source for further details or speak to your regional representative.

GO GIRLS – THEY ARE HEADING TO THE FINAL IN INVERCARGILL

We are very proud to be sponsoring the Te Kamo Intermediate AgriKids team who have qualified for AgriKids finals in Invercargill in July. One of the team is the daughter of our practice manager Haley.

Southland clients, please keep an eye out for them as they travel south and represent Northland – and give them a big Southland Cheer. We wish them all the best!



CONTACT US

0800 36 36 86
(09) 470 2020

VISIT US

1A Douglas St
Kensington
Whangarei 0112

POST US

PO Box 46
Whangarei
0140

COS
•CA•