



KPMG Alumni News

MAY

Welcome to the May edition of the KPMG New Zealand Alumni News

Here we have our latest news, publications and events, which we hope will be of interest to you.

New Zealand Budget 2021

A different kind of 'balanced' budget for New Zealand

On 20 May 2021 the first Budget of the Labour majority Government was announced. Last year's Budget was overshadowed by COVID-19 and the need to react at speed. That was a case of Government doing the heavy lifting, fiscally, as businesses held back.

Grant Robertson promised, and has delivered, a balanced budget.

We're getting used to 'balanced' having a different meaning than it used to from Finance Ministers on Budget day. Balance, these days, means a wider focus than spending on hard infrastructure like "shovel-ready projects", and a recognition that investments in people, social and natural capital are necessary, good for New Zealand and good for business.

So, has the Government delivered on these objectives? KPMG's Executive Chair, Matthew Prichard looks at some highlights below.

Human Capital

The Government initiative is an increase in benefit levels to those recommended in last year's Welfare Expert Advisory Group review. The Budget commits to implementing those recommendations in two stages in 2021 and 2022.

Social Capital

Part of the Government's immediate response to the COVID-19 pandemic was an investment in shovel-ready physical infrastructure. This Budget includes elements of that same kind of investment in social capital.

Natural Capital

One of the five priority areas announced this year is 'Securing a Just Transition as we shift to a low-emissions economy'. Some climate initiatives feature in the Budget including a further \$300m for the Green Investment Fund. The Government is also getting its own house in order with \$67.4 million over four years to support their promise for a carbon neutral public sector by 2025.

Physical Capital

The housing crisis isn't going away. A \$3.8 billion Housing Acceleration Fund, announced pre-budget, will help New Zealand build more houses quickly. It involves unlocking a mix of private sector - and government-led developments in locations facing the biggest housing supply and affordability challenges, including the Kainga Ora large scale projects. A subset of the housing package is focused on Māori.

Health

The budget has announced an extra \$4.7 billion for health. The pandemic has repositioned the role of the health sector at the forefront of the Government's priorities for investment. The Government is also taking on the challenge of a much-needed reform of the health sector.

Education

The Budget is very much business as usual with some further investment. A notable change is the extension of the Training Incentive Allowance to cover levels 4 to 7.

Physical Capital – Infrastructure

The Budget sets aside a \$57.3 billion total capital spend. This is stated to be an approximately \$15 billion increase on capital investment over the next four years. Further investments announced include \$1.3 billion for rail initiatives, \$200 million for tourism support and \$44 million for small business digital training and advisory.

COVID

The Budget retains \$5.1 billion of the COVID Response and Recovery Fund as a contingency.

Read more about our perspective [here](#). You can also watch our Webinar – [New Zealand Budget 2021: Reset or React?](#) (passcode: KPMG123!) where a group of KPMG thought leaders share their views alongside keynote speaker, the Hon David Parker.

New Zealand Life Insurance Insights Dashboard



KPMG's first dedicated Life Insurance Update highlights the scale of accounting and regulatory change on the horizon and provides you with access to your new [KPMG Life Insurance Insights Dashboard](#).

The focus in this edition is on insurers' readiness for IFRS 17 *Insurance Contracts* through a survey of 18 insurers globally, which have had IFRS 17 implementation programs running for several years; and a snapshot of the unparalleled upcoming regulatory change, considering the international experience and parallels to the banking sector. Read our Life Insurance Update [here](#).

Our KPMG Life Insurance Insights Dashboard brings to life key information from life insurers' filed financial statements through the range of interactive charts and graphs presenting key industry metrics, financial position and results up to 30 June 2020.

Get in touch

[Jamie Munro](#)

Partner, Head of Financial Services

[Nick Moss](#)

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Director

Healthcare Foresight

Global perspectives on the healthcare hot topics of today and tomorrow



The pace of change in healthcare is faster than ever. To keep up with global developments, KPMG has created Healthcare Foresight – a digital magazine covering the hot topics of today and tomorrow.

As health has risen to the top of almost every country's agenda, globally shared insights have never been more important. This publication reports the stories from the frontlines of transformation, helping New Zealand's healthcare professionals to observe and learn from their counterparts across the world.

[Subscribe](#) to receive our insights into healthcare.

Mastering a comeback

How family businesses are triumphing over COVID-19



The shock of an unexpected global pandemic provided an opportunity for KPMG's Private Enterprise team to come together with the [STEP Project](#) to take a first-hand look at how family businesses across the world have responded to COVID-19, and emerging to help lead a global economic recovery.

We look at whether family businesses really are more resilient, agile and adaptable than others in our [Global Family Business Survey: COVID-19 edition](#).

Get in touch with our Private Enterprise team

[Mike Coleman](#)

Partner

[Ken Stephens](#)

Partner

[Jane Fletcher](#)

Director

FIPS Quarterly: December 2020

Banks and New Zealanders showing signs of resilience



KPMG's latest Financial Institution Performance Survey (FIPS) is now available for the quarter ending December 2020.

This edition reveals the latest performance results and provides commentary on the factors driving banks' return to profit.

[Results for the quarter](#) show an increase in profit, however sector performance was impacted by the reduction or reversal of provisioning made this time last year.

[Lending](#) continued to rise this quarter, marking new highs in monthly mortgage lending for 2020. The breathing space from [regulation](#) granted by RBNZ in the last year is coming to an end, with its announcement of the new Enforcement Department.

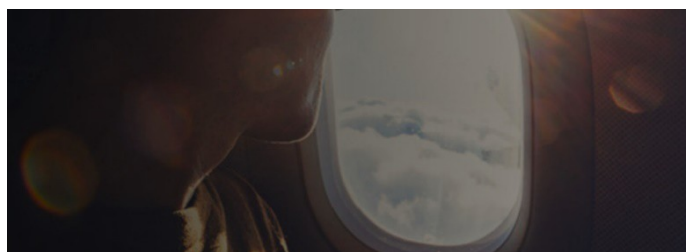
Read the full FIPS publication [here](#).

Get in touch

[John Kensington](#)

Partner, Head of Banking & Finance

New "3-check" Work Visa policy announced



The Government is introducing a new temporary work visa called the Accredited Employer Work Visa (AEWW). The AEWV will be introduced on 1 November 2021 and will replace six of the existing temporary work visa categories. The system will require 3 checks before an employer can hire a migrant worker – employer accreditation, the job check and the migrant worker check. Read more about the changes [here](#).

Get in touch with our immigration team [here](#).

Community @ KPMG

Pink Shirt Day 2021 – No Bullies Allowed.



Celebrated annually around the globe, [Pink Shirt Day](#) began in Canada in 2007 when two students took a stand against homophobic bullying, after a peer was bullied for wearing a pink shirt. In Aotearoa, Pink Shirt Day works to create schools, workplaces, communities and whānau where everyone feels safe, valued and respected.

On Friday 21 May, KPMG helped turn Aotearoa mawhero/pink with charity morning teas and bake sales around our offices. Our Auckland and Hamilton offices fundraised for [InsideOut](#) – who work to give rainbow young people in New Zealand a sense of safety and belonging in their workplaces, schools and communities. In Tauranga, the team raised funds for the [Mental Health Foundation](#) and the [Tauranga Breast Cancer Support Service](#). Our South Island offices also raised funds to support the Mental Health Foundation. Wellington raised funds for [Youthline](#) – which changes the lives of young people by providing access to mental health support and development opportunities for those in need.

Taking action against modern slavery



In March, KPMG joined some of New Zealand's best-known companies to sign an [open letter](#) calling on the Government to legislate against the use of slave labour. The letter was presented to the Minister for Workplace Relations and Safety, Hon Michael Wood, on 16 March 2021.

With an estimated 40 million people globally – including right here in New Zealand – living in conditions of modern slavery, it is the most serious labour rights issue of our time. If you would like to read more or have your say by signing the petition, you can do so [here](#).

Thanks & Aroha from Nourish Trust



KPMG Wellington recently received a lovely note of thanks from Nourish Trust. In December, our Wellington team raised \$10,000 (through muffin sales!) for Nourish Trust to support their mahi in providing much needed and appreciated Christmas food hampers.

Nourish is a charity run by volunteers, who support and care for local communities by providing food to school children and families across the greater Wellington region throughout the year, but especially at Christmas time where families face extra pressure. Find out more about Nourish and how you can get involved [here](#).

KPMG Tauranga selects first Workplace Giving recipients



KPMG Tauranga has been running a [Workplace Giving](#) programme with [Acorn Foundation](#) since last year and have just selected their first recipients – [Te Aranui Youth Trust](#) and [Blue Light Western Bay](#), both of which align with KPMG's citizenship focus of lifelong learning for youth.

Blue Light works in partnership with the police to deliver an extensive range of youth programmes and activities. They also provide opportunities for local students to attend the national life skills camps run by Blue Light and the New Zealand Defence Force. These programmes and events are designed to help young people build positive relationships with police, their whānau and community and to help reach their potential.

Te Aranui Youth Trust run programmes to inspire and challenge vulnerable youth to make safe and positive life choices. The Police Youth Development Team, Ministry of Education and local schools refer young people through to these programmes.

You can read the full story on [Sunlive](#).

A Rewarding Experience for all at Grad Camp 2021



Last month, KPMG New Zealand Executive Chair Matthew Prichard, Tax Partner Nick Hope, 12 managers, and 130 new KPMG graduates attended Grad Camp at Te Aroha Marae. As part of camp each year, our graduates and staff spend a day volunteering. This year, they volunteered at [Morningside School](#) painting, planting and tidying the school. They even built (and tested) go karts for the kids to enjoy when they returned to school!

Tax

2021 Australian Federal Budget

The Australian Federal Budget shows Australia on a strong path to recovery following the COVID-19 related disruption of 2020. However, like New Zealand, the role of the Australian Government in cushioning the blow means significant budget deficits and high debt will linger for some time.

Our latest [Taxmail](#) summarises the key policies in the 2021 Australian Budget and links to KPMG Australia's detailed commentary on how these policies will impact different sectors, businesses and the wider economy.

Reporting Updates

Amongst the topics covered in this issue, we share KPMG's latest publications *Loan Acquisition Accounting* and *IFRS 16 – An Overview* as well as KPMG's guide to condensed interim financial statements (2021 edition). We also look at IASB's recent amendment of *IFRS 16 Leases*, and interim reporting choices under *IFRS 17 Insurance Contracts*, in our Financial Reporting update. In our Business Reporting updates, you can read our article *Climate Risk is Financial Risk* and watch International Corporate Governance Network's webinar *The Future of Corporate Reporting and Non-financial Information*. Read our latest reporting updates [here](#).

We value your connection with us and invite you to visit our Alumni website periodically to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us if you would like additional information regarding any of the above topics.



Aaron Woolsey

KPMG NZ Alumni Partner

kpmg.com/nz/en/home/alumni.html



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