

UNION NEWS

Did you vote "John Key - time for change"?

As expected the National Government of John Key delivered "BONUSES" to those already well off. Currently the top tax rate is 38% on \$70,001. Budget night changed that to 33%..... (Table I)

| Annual income | Current Tax rates | Budget Tax rates |
|---------------------|-------------------|------------------|
| \$0 - \$14,000 | 12.5% | 10.5% |
| \$14,001 - \$48,000 | 21% | 17.5% |
| \$48,001 - \$70,000 | 33% | 30% |
| \$70,001 and over | 38% | 33% |

NZ Companies will only pay 28c in the dollar tax from April 2011, was 30c. Australia's companies will pay 28c in dollar from 2015. Australian employers pay 9% compulsory superannuation, NZ employers pay 2%. Australian employers will pay 12% in 2013.

Costs go up and services to those that need are removed....

Well over \$100 million cuts in health services. Cuts to ACC - meat workers will have to use up holiday pay before ACC paid and seasonal earnings will be divided by 52 weeks regardless of the fact you may only work 20 weeks. GST goes up 20% to 15%, currently 12.5%. NZ Treasury forecasts that overall consumer price inflation will peak at 5.9% for the March 2011 year. Rent increases of 4 - 5 % which represents an average increase of \$16 - \$18 per week. GST hike, the Government will compensate beneficiaries 2.02% and wage earners with minor tax cuts however most meat workers have had only a 2.5% pay increase - so their purchasing power will fall over the next year at least, maybe longer. (Table II)

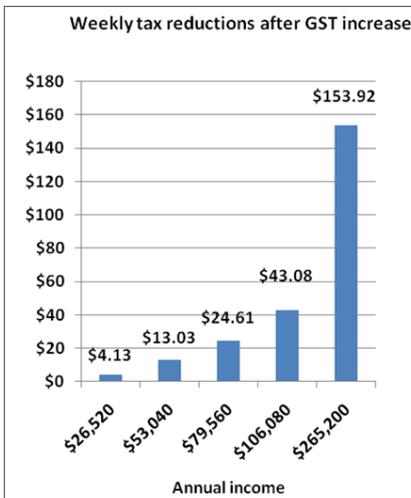
The gap in take home pay between someone on \$30,000 and \$120,000 grows by \$72.89 and even the gap between someone on \$60,000 and \$120,000 grows by \$53.85.

If we look at some other examples apart from those in the Table, someone on \$15 an hour and compare them with someone on \$50 an hour or \$104,000 a year, the gap in take home pay now is \$916.08. In October the gap will be \$56.69 higher at 972.77. And the increase in the gap in take home pay between someone on \$200,000 and \$30,000 grows by \$150 a week (\$149.81).

In fact, if we include the impact of GST the income gap widens even further. Table III shows the difference between someone on the minimum wage and those on

twice, x 3, x 4, and ten times the minimum wage. It also takes account of the GST increase. Look at the huge difference in benefit from the tax package.

| Annual Income | Increase in Gap |
|---------------|-----------------|
| \$30,000 | \$72.89 |
| \$40,000 | \$66.16 |
| \$50,000 | \$59.62 |
| \$60,000 | \$53.85 |
| \$70,000 | \$48.08 |
| \$80,000 | \$38.46 |
| \$90,000 | \$28.85 |
| \$100,000 | \$19.23 |
| \$110,000 | \$9.62 |



HITS ON YOUR POCKET

- April 1 - ACC earner levy up to 2%
- April 29 - Tobacco excise up 10%
- June 1 - Telecom line rents up 1.9%. Some off-peak calls up 26%
- July 1 - Petrol up 1.7%. Some power bills up 3%. Car registration up 18%. Metrowater bills up 1.4%.
- October 1 - GST up 2.5%. Petrol up another 1.7%

If your Boss said to you "increase the speed of the chain from 3.2 lambs per minute then to 3.6 per minute then to 4 per minute with no increase in pay, no increase in manning, and no penal payments" What would your reply be? This Boss works for AFFCO which made a Net profit of \$60 million in 2008, \$25 million in 2009 \$15 million half year 2010.

ANZ COMMODITY PRICE INDEX

MARCH - Beef and lamb prices continue to hit fresh highs, lifting 6.8% and 4.2%, respectively. Dairy and venison prices both eased 1.2%, while the price of skins slipped 0.9%. **APRIL** - As well as dairy, other large rises were recorded in the price of skins (up 10.1%, to an 18-month high), beef prices lifted 4.0%. A smaller increase was measured in the price of wool 1.2% and sheep meat increasing 0.2%. **MAY** The ANZ Commodity Price Index hit another record high in May. Large monthly increases were evident for the prices of

skins (up 12%). Increases were also recorded for wool (up 5%), lamb (up 3%), venison (up 2%) and beef (down 3%). Overall meat, wool and pelts track upwards with Dairying. ¾'s of NZ sheepmeat exports are sent to Europe and North America, with an increasing share going to China.



CHICKEN PROCESS WORKERS IN USA