

**Community
Governance**

Supporting community
governance in Aotearoa



Grant Thornton

**We need more
than aroha to sustain
our community
organisations**

Salary packaging for our sector

Leading the conversation

Rose Hiha-Agnew, Ceo, Community Governance Aotearoa
Barry Baker/Partner NFP specialist Grant Thornton

*And special invited guest: Blake Srdarev, Head of Business Development
Paywise.*

Agenda

- Challenges for our sector
- Seeking solutions
- Australia: salary sacrificing/package schemes
- How does salary packaging work?
- Next steps



Challenges for our sector

Cost of living crisis, funding challenges, inflation, short-term contract roles, pay inequity, losing great staff, and attracting talent in our sector.

What is out there to support our sector?

- Salary sacrificing/packaging like Australia
- 9-day fortnight
- Increase in benefits (eye care/health, money)!
- Flexibility and working from home/part time (that's how we roll)!



Australian approach

Salary packaging - also known in Australia as salary sacrifice or remuneration packaging.

- Use pre-tax to pay for certain benefits **before** your income is taxed
- Employees of not-for-profit organisations pay less tax and access more benefits
- Australia has had this in place for 20+ years
- Salary packaging/sacrificing is capped and calculations can be technical - but it does work
- It's a nice way boards can support their teams
- It's affordable

Next:

Blake will share the Australian approach





Introduction to Salary Packaging

Blake Srdarev
Head of Business Development

What is salary packaging?

Paying for expenses with pre-tax salary, reducing taxable income and therefore tax payable!



What can I salary package?

'Capped' items

Up to \$15,900 pa



Living expenses



Mortgage repayments



Rent



Up to \$2,650 pa



Meal entertainment



Holiday Accommodation

Plus 'uncapped' items

Cars (novated leasing)



Disability / income protection insurance



Professional membership fees & subscriptions



Airport lounge membership



Laptop / portable electronic devices



Self-education



\$15,900 tax-free 'cap'.

Living expenses



Reimbursement into your bank account

OR

Paywise card
(\$66 pa fee)

Mortgage repayments



For the property you live in
Paid directly onto the loan or
into your bank account

Rent



Paid into your bank account
within 24 hrs of your pay



Paywise: Salary packaging calculator

[Link to calculator](#)

NB: This calculator is set up for **Australia/s tax settings** and these tax settings do not apply in Aotearoa New Zealand.

Your Details

Now we need a little more detailed information about you.

Progress bar: 2 of 5 steps completed (red dots).

Your Employer

If you don't specify your employer, you can still use the calculator to give you general estimate of your salary packaging savings.

Your gross annual salary

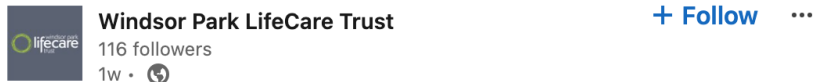
Pay Frequency

Your State



Why salary packaging?

- **For employees what are the benefits?**
 - Begin to bridge the gap between private/public sector salaries and not-for-profit salaries
 - More \$\$ in pocket after tax.
- **For employers what are the benefits?**
 - Offer a salary that provides more impact to employees, at no extra cost
 - Enable boards to champion and support their management teams.



At [Windsor Park LifeCare Trust](#) our staff are the heart of our organisation and we couldn't do the amazing work we do in our community without them. As a charity it isn't always easy to pay them what we'd like to be able to and they often go above and beyond what is asked of them. Check out the campaign below being launched by [Community Governance Aotearoa](#) looking at a way that Aotearoa could make a change to further value workers in the charitable sector.



Next steps

This is the start of the conversation!

More engagement:

- Working group or committee
- Put on your board agenda and socialise the idea
- Grant Thornton and CGA will continue engaging with our sector
- Legislation changes may be required



Get in touch

Visit our campaign hub

<https://communitygovernance.org.nz/about-us/campaign-salary-packaging-scheme/>

Email us

info@communitygovernance.org.nz

