

1<sup>st</sup> April 2021

Dear Owners

For owner's resident in New Zealand, you will all be aware of the New Zealand Governments increase to the minimum wage which is to be paid to employees from the 1<sup>st</sup> of April 2021. The minimum wage rate is to increase from \$18.90 per hour to \$20.00. Since 2015 the New Zealand Minimum Wage has increase 36% from \$14.75 in 2015 to the current rate.

Labour is a large component of the cost associate with the care and training of thoroughbreds and your horse with the labour cost component making up 60% of the daily rate charged.

Since 2015 Wallace Thoroughbreds has increase its daily training charge each time the New Zealand Government has increase the minimum wage to the extent that the increased rate recovered the resulting labour cost paid to our employees.

Again, this year because of the move in the minimum wage the daily fees charged per horse will increase by \$2.65 per day and will be charge from the 1<sup>st</sup> of April 2021.

In the next twelve months Government legislation will increase an employee's sick leave entitlement from 5 to 10 days per year and there will also be the introduction of an additional Public Holiday (Matariki) in 2022, both measures will result in additional labour cost which will flow through to training costs in New Zealand.

As always Grant and I appreciate your support.

Regards



Bruce Wallace

Director

Wallace Thoroughbreds Limited