

2014 Election Results What's in it for The Bay?

Local Results

In Hawke's Bay electorates, Stuart Nash wrested the Napier seat back from National on the back of promises to lift wages for workers, oppose amalgamation of the Hawke's Bay councils, and promote innovation and investment to boost regional economies.

Craig Foss held the Tukituki seat for National although he did have his majority reduced. He has promised to back the Ruataniwha Dam project, create jobs through oil and gas exploration and continue to roll out ultrafast broadband to encourage more business to the region.

Meanwhile in the Maori seat of Ikaroa-Rawhiti, Meka Whaitiri kept her seat on a manifesto of higher wages, lower house prices and improved education policies.

Going Forward

The makeup of parliament is extremely similar to what we have seen in the past three years with the major difference being National's absolute majority, which will enable them to progress certain policies which hit snags in the last parliament, namely reform of the resource management act (RMA) and changes to employment law.



Proposed changes to the RMA include new fast track consent rules and a new national planning template to streamline local council resource management plans. This is designed to add consistency across local authority RMA strategy.

In terms of employment law, National has signalled changes in areas such as collective bargaining rules, extending flexible working arrangements and giving employers greater control over rest and meal breaks.

The proposed changes are generally expected to be favourable for employers allowing greater flexibility and will make the employment relations act simpler and more efficient. However, changes have been met with disapproval from union and employee right advocates.

Watch our website for more relevant and up to date information as the new parliament swings in to action.

CORPORATE GOVERNANCE – HEALTH & SAFETY

Directors can affect the organisation like no other position can, not only through making business decisions but through their influence on corporate governance and culture.

The duties of directors are well known by the business community. They are legally defined in legislation and include owing the company a fiduciary duty and through corporate governance principles which, while non-binding, are important as they are considered by the community as best practice.

To emphasise Directors responsibilities regulating authorities are proposing changes in the Health and Safety in Employment Act 1992 ("The Act"). These include adding that the key duty holder to the Health and Safety programme of a company is a person conducting a business or undertaking. In other words, those in governance roles - the Directors themselves.

The regulating authorities believe that influential intervention by directors could have avoided catastrophic events such as the recent Pike River tragedy.

This means that Directors have a duty to actively participate in setting and implementing health and safety standards and procedures in their company along with due diligence duties. This role would no longer be delegated to management while directors claim that things were under control unless they had been personally informed about an issue. They will have to ensure that the company has taken all practical steps to ensuring the safety of everyone involved in their operations or face legal consequences. Importantly, the cost of such safety measures becomes a secondary consideration in determining whether a safety precaution is reasonably practicable.

Changes come in to force on 1 April 2015. Talk to us if you need to know more.

Tax Talk

Making payments to IRD – what's changed

IRD are changing some of your options to make payments to them as of 1 October 2014.

Paying at Westpac

If you're used to paying your tax through Westpac, you won't be able to pay by cheque any more, or drop off returns and forms. You will still be able to pay through Westpac by:

- cash and eftpos payments
- online banking
- credit/debit cards
- international money transfers.



Posting cheques and returns - get the timing right

You can still post cheque payments and returns direct to IRD. From 1 October all cheques must reach IRD on or before the due date to avoid interest and late payment penalties. Until now, it's been enough that the postmark shows you posted the cheque on or before the due date, but not anymore.

Online payments

IRD is encouraging taxpayers to make their payments online. You can file returns and make payments online, up to and including the due date. If you haven't done this before but want to start, we can walk you through it.

The links below will take you to the IRD website and their Demo videos that take you through filing your GST or PAYE online – step by step.

GST: <http://www.ird.govt.nz/help/demo/egst/>

PAYE: <http://www.ird.govt.nz/help/demo/irfile/#>

Latest changes to GST

A raft of amendments to GST came through in June, clarifying grey areas and closing loopholes from some of the major changes of the last few years. In broad brush, these include:

- a new wash-up rule in the GST apportionment rules applies when use of an asset changes to 100% taxable or 100% non-taxable use when usage has previously been split between private and commercial use. Depending on the change, there may be output tax to pay back
- residential units in retirement villages or rest homes where occupants live independently now come under GST-exempt supplies
- the backdating effect of the tax residency rules has been removed for GST purposes
- the definition of 'hire purchase agreement' now includes any contract with an option to purchase
- where an employee is engaged by a third party to be a director or board member, and required to remit fees from the third party to their employer, there is a new flow-through rule which means the employer will be treated as supplying services to the third party
- non-profit bodies can claim all GST input deductions other than those relating to the making of exempt supplies



Please contact us if you'd like to run through whether the changes affect you.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.

What are Key Performance Indicators?

KPIs are the story that tells us how well the business is performing. They are the critical performance measures of the business. They need to be monitored and will indicate how the business is performing, both trend wise and against predetermined targets.

Ideally KPIs should be monitored on a weekly/monthly basis. It is then possible to react instantly to adverse trends and take appropriate corrective action. Your annual accounts should merely tell you what your KPI analysis has been telling you for months!

Your KPIs need to be specific for your business today. Good KPIs will differ across businesses and will evolve through time as businesses develop. They must reflect the critical issues that drive your business, but must be simple, measurable, and easily understood. At a glance you should be able to easily identify Critical Areas for Improvement, strengths & weaknesses, and trends.

Every business is different and any potential improvements in performance must be actively pursued and delivered. Focusing on KPIs is essential to drive forward successful businesses.

It is proven that businesses that focus on KPIs and improving these, can achieve incredible improvements in core areas. Even just a 1% improvement in a few different critical areas of your business can have an exponential impact on your turnover, profit and cash flow.

To successfully introduce KPIs to your business you will need to earn your STRIPES:

- S** **ELECT** the critical KPI business drivers
- T** **ARGET** set appropriate achievable but realistic targets
- R** **ESPONSIBILITY** allocate targets to individuals
- I** **MPLEMENT** monitoring of actual performance
- P** **RESENTATION** consider the most effective reporting format
- E** **XPLOIT** opportunities and act on output with proactive management
- S** **CHEDULE** agreed distribution and reporting cycles

Call us today to set up a free demonstration of how we can help you identify and set relevant KPIs for your business and create an easy system to monitor and present your KPI's to you on a regular basis.

*The first 3 clients who call us will receive a KPI identification session free of charge.
Get in quick, this will be popular !*



ADMINISTRATION HEADACHE?

Need some cover for your administration while you're away on holiday or taking a break?

We have experts in PAYROLL & WAGES, CREDITORS, TAX PAYMENTS and all the other administration tasks that won't wait while you're away.

If you'd like to talk to us about supporting you with your administration then please call **Janine** on 06 876 7159



'Success one day does not give you a free lunch every day thereafter.'

Richard Branson, Business Stripped Bare

Parental leave

On 1 July, the rates for paid parental leave increased. If you're self-employed or an employee and eligible for paid parental leave, you may receive up to a maximum of \$504.10 a week before tax. If you're self-employed and make a loss or earn less than the minimum wage, for at least 10 hours work a week, the payment is \$142.50 each week before tax (equivalent to 10 hours each week at the current minimum wage rate).

If you'd like a fact sheet on your obligations as an employer or on paid parental leave for self-employed people, please contact us.



My idea of financial freedom
Getting up early to fish on the Tukituki River

Call Tobias Taylor or Tony Maidens to discuss your idea of financial freedom on **06 877 8021**
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Minimum Wage heads up

After the government increased the minimum wage rates earlier this year, it made a further amendment to the Minimum Wage Order, issuing a new fortnightly rate. The fortnightly rate is \$1,140 for adult employees and \$912 for starting-out workers and trainees. If you're an employer already fully compliant with minimum wage requirements and your employees' hours don't vary from week to week, stop reading here. For you, nothing has changed.

Some farmers have had difficulties with minimum wage compliance as farming hours vary considerably over busy periods such as lambing and calving through to quieter periods. Traditionally many have agreed with their employees to average wages out over quiet and busy periods so employees have some certainty about their income.

Two recent cases, followed up by a Position Statement from Ministry of Business, Innovation and Employment, have made it clear that such averaging breaches the Minimum Wage Act unless an employee receives at least the minimum wage relevant to his or her basis of payment: hourly, daily, weekly and, now, fortnightly. The fortnightly rate applies to anyone paid on that basis or on the basis of a longer period, so it applies to those on annual salaries.

This means that, for employees on an annual salary, the longest period over which an employer can average an employee's wages is a fortnight. If, during a busy fortnight, employees have worked more than a total of 80 hours, you'll need to pay them at least \$14.25 (at current rates) per hour for each hour over 80. Since farmers often use fortnightly rosters, this represents an improvement over the necessity to limit the averaging to the period of one week (the maximum averaging period permitted before the law change).

Talk to us if you think this affects your business.

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