

M^cGregor Bailey

CHARTERED ACCOUNTANTS

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Spring 2013



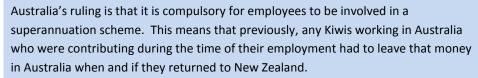
Where's Your Bottom Line?

Risk and Reward

Scheme swapping across the ditch

The Australian government recently announced that they have made changes to legislation that will allow New Zealanders to transfer their retirement savings from KiwiSaver into a compatible Australian scheme and vice versa.

This legislation is the result of an arrangement between the New Zealand and Australian governments and removes an obstacle between the two countries, providing the ability for people to take advantage of employment opportunities in either country, while still continuing to contribute to a retirement scheme.



The Australian Tax Office recently estimated that it is holding NZ\$21 billion in lost accounts, which has been put down to contributing Kiwis who have returned home and had to leave their contributions behind as a result. The new scheme will mean that this money can be transferred from the Australian scheme, to their scheme provider here in New Zealand.

The transferring of funds will not incur any entry or exit taxes but the downside is that Kiwis will not be able to use their Australian superannuation fund towards a new home. However any interest earned on the account may be used to do so.

The Australian scheme will have to comply with KiwiSaver in order for the transfer to be made as not all schemes are compatible.

If you have contributed to an Australian superannuation scheme in Australia and want access to your funds, visit www. kiwisaver.govt.nz



Tax Talk

Changes to online tax returns

The IRD have made changes to the way you file your GST returns.

In September last year the IRD introduced the eGST filing service. Now the decision has been made to remove the ability for the public to access the standard online form, meaning customers will need to change their filing methods and register to file their returns through MyIR.

The IRD will have sent a letter to all clients in July notifying them of the change. In addition to this a new GST email service has been established to alert customers registered with MyIR that their GST return is available, three days before it's due.

For more information on the changes to online GST returns, visit www.ird.govt.nz





Changes to parental leave and the minimum wage

On 1 July 2013, the rate for Parental Leave and Employment Protection increased. The change has been made in line with the alteration to the average weekly wage.

The maximum amount available to eligible employees and the self-employed increased from \$475.16 to \$488.17 gross a week.

The minimum parental leave payment for self-employed persons increased from \$135 to \$137.50 gross a week.

Each rate is calculated based on the employee's average weekly earnings and those eligible for the scheme are entitled to 14 weeks.

If you always do what you always did, you will always get what you always got. - Albert Einstein

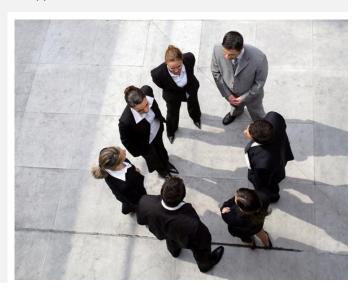
Invest in your business - invest in your staff

Your staff can often be one of the most valuable assets in your business. By investing in training, and taking the time to develop their skills, you will find that they not only feel valued as team members but it can also improve know how and the ability to adapt in unknown or new situations.

Although up-skilling is not always a low cost solution, it's important that it's viewed as an investment in your business. Some of the benefits to up-skilling include:

- Staff retention employees who are given ongoing training feel valued and tend to remain loyal
- Improved quality and productivity providing staff with the skills to deal with more challenging and potentially unexpected tasks
- The flow on effect motivated employees have a more positive attitude and this can influence other members within your team
- Staying competitive with a great team behind you, you have the potential to become the best in your market

There are many organisations now providing staff training programs throughout New Zealand. Before embarking on a training initiative, do your research. Ask yourself what you think would benefit your team and start from there. Take the time to invest in your staff and you will not be disappointed.



New mixed-use assets rules, lease payments and other measures now law



Tax rules on lease inducement payments and surrender payments now law

A recent change in legislation introduced new rules on the tax treatment of lease inducement payments and surrender payments. From 1 April 2013, such payments are deductible for the payer and taxable for the recipient and are subject to spreading rules.

If you are negotiating or renewing commercial leases, we recommend talking to us to ensure any tax considerations are correctly taken into account.



Renting your beach house out?

As previously signalled in earlier Bottom Line issues, new rules on claiming expenses for mixed-used assets such as holiday homes (assets being used both privately and for earning income) have been passed in to law.

Previously expenses have been subject to a private to business ratio (including when the asset was available for use even if it wasn't being used). The new rules restrict the deductibility of this expenditure by limiting the expenditure allowed for the period that the asset is available for use and not used.

Even though these rules have just been enacted, they actually apply from 1 April 2013. If you own any assets such as a holiday bach or a boat and rent these out during the year, please come and talk to us. The government has publicly stated they are expecting an extra \$50m in revenue from these new rules, so they will be enforced.

A leader is a dealer in hope. - Napoleon Bonaparte

Search Engine Optimisation (SEO)

Use Search Engine Optimisation to direct traffic to your website when potential clients are looking for specific products or services that your business could provide.

Search Engine Optimisation enhances the visibility of your website or web page in a search engine. Leading search engines use software called 'crawlers' that scour web pages to find information that matches their search results. The importance of SEOs is that people searching the web want prompt immediate answers and generally click on the first results they see. Being at the top of the results list will mean your business is the first port of call, not your competitors.

When you use search engines such as Google or Bing, the results listed at the top represent companies with good SEO skills, meaning they have been savvy in order to gain a higher search ranking.

There are some simple steps to help your website or company blog appear in a higher ranked position in web searches:

Keywords: Include key phrases that are relevant to your business and that will direct people to your site. If you want to find out what people have been searching for, Google provides a service where you can enter a particular word and they will give you statistics on how often it is researched on the web. These results are also put into context in terms of what the search refers to, so you can streamline your key phrases and target prospective clients accordingly. A key to remember is not to make your words too specific, or too broad. They must always be relevant to be picked up in a search.

Cross-link: Cross-linking is the process of linking two or more pages from your site together to increase visibility in search engines. You can also cross link to other related websites that have agreed to be linked to yours in some way. Do your research on cross-linking first. Some search engines will penalise you for overdoing the linking within your site.

Up to date content: When the search engines perform their regular crawl, they are always looking for new and updated content. If your content is out of date, it may be missed and you automatically have decreased chances in gaining a higher ranking. Remember to research, track and update keywords regularly. If you feel overwhelmed or that your time is limited, there are many marketing and web professionals available to assist with driving traffic to your site.

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.

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