

Beyond the Farm Gate – Rural Newsletter



BROWN GLASSFORD AND CO LTD

Your Focus : Your Business...

Our Focus : Your Business...

Spring 2017

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2017 ANNUAL ACCOUNTS AND TAX RETURNS

By now clients should have been sent our annual questionnaire and been given an indication as to when we hope to complete your work. If, for some reason you have not heard from us please get in touch. You can also get a copy of the questionnaire [here](#).

ACC LEVIES

The 2017 ACC levies for farmers have decreased, with levies down between 6-9% on the 2016 levies. These decreases have come about from the government passing on savings generated from improved ACC financial management.

ACC Levies for dairy farmers have decreased by 9%, while sheep and beef farmers have seen their levies decrease by 6%. Deer farmers have seen the biggest decrease, with their levies dropping by 17%.

It is worth reviewing your ACC industry classification on a regular basis to check that it is still appropriate to your business activity. As there may have been changes to your business industry, role in the business, a shift to part-time hours, or a passive role (retirement or raising children). All of these will affect the ACC position.

We offer an ACC Administration Service to check all ACC invoices are current and correct on your behalf. Please contact us if you would like to know more about this service, including what the cost is and how to get it started.

AUDIT INSURANCE UPDATE

We wish to advise our clients that we are no longer using Audit Shield for IRD/Audit Insurance cover. As part of our membership with NZCA, we are eligible to join their insurance scheme. This scheme provides cover for additional reasonable and necessary accounting costs incurred as a result of any audit, official inquiry, official investigation, official review or official examination undertaken in relation to a lodged New Zealand tax return, by or on behalf of the government of New Zealand and any division or department thereof. There is no separate charge to any client and all clients are automatically covered under this new insurance scheme, which Brown Glassford carry the cost for. If you have any questions regarding this, please don't hesitate to contact us.

STAFF NEWS

ARRIVALS

Karim Badran

Karim has come to us in a graduate position. He graduated with a BCom in Accounting & Tax from the University of Canterbury in 2015 and is currently studying towards his Chartered Accountancy qualification. Karim grew up in Cairo before his family emigrated to New Zealand when he was 14. Outside of work, he enjoys spending time with his family and playing sports. We welcome Karim to the team.

Angela Adams

Angela has joined us in a new role looking after GST and wages. Angela was born and bred in Christchurch and is a keen Crusaders supporter. She has also lived in China for a brief period. Angela has worked in various Administration and Payroll roles, from an Adventure Holiday company to most recently a farming company. We welcome Angela to the Team.

Hazel Zhu

Hazel was born in China and has lived in New Zealand for 14 years. She graduated from the University of Canterbury and became a member of CAANZ in 2015. In her spare time, she enjoys reading, skiing and swimming. We welcome Hazel to the team.

Hannah Jozko

In July, we welcomed Hannah back from maternity leave. She is in the office Monday, Wednesday, and Friday from 8:30am – 4:30pm. It's great to have her back on board.

DEPARTURES

Rachel Fleming

We have recently said farewell to Rachel from our office as she moves to Culverden to be closer to her fiancé Ben. We thank her for her contribution to Brown Glassford and wish her all the best for the future.

FARM TUNE

The Farm Tune Programme is a series of dairy workshops and subsequent on-farm activities that involves the whole farm team enabling you to maximize efficiency and improve all areas of your business. If you would like to know more please visit [here](#).



PROVISIONAL TAX CHANGES

Legislation has recently been passed that simplifies the obligations under the provisional tax regime. The changes will take effect from the 2017/2018 year. Most tax payers pay provisional tax three times a year based on the uplift basis - this will not change.

The standard uplift method determines an entity's tax liability based on either 105% of the past year's tax liability or, if the past years' return has not been filed, 110% of the previous years' tax paid. For example for the 2017/18 tax year this would be either 105% of the 2016/17 tax bill or 110% of the 2015/16 tax bill if your 2017 return had not yet been filed.

The Inland Revenue has amended the rules to say that for taxpayers who meet the requirements of the uplift basis, use of money interest (UOMI) will no longer be charged until the third instalment date (for those with residual income tax of greater than \$60,000) or from terminal tax due date (for all other taxpayers). This will apply for all taxpayers.

The rationale behind this is that by the time a business arrives at the due date of the third and final instalment of provisional tax (the month after balance date), the business will have a reasonable idea of how the year has gone, and should be able to make a reasonable assessment of how much tax they will have payable for the year. Inland Revenue have estimated that these changes will eliminate UOMI for approximately 67,000 taxpayers.

Finally, the late payment penalty regime is also changing. Currently a 1% late payment penalty is charged the day after tax is due, a further 4% penalty is charged at the end of the first week and a 1% incremental late payment penalty is charged each month thereafter.. For most taxpayers the incremental 1% monthly penalty will no longer be charged on GST periods from 01 April 2017 or income tax and working for families debts relating to the 2017/2018 or later years.

What this means is that we will be doing fewer estimates for the first two instalments of provisional tax, and a lot more for the third instalment. It will also mean that clients' may need to be more aware around managing their cashflow to allow for the possibility of a third larger lump sum payment at the end of year, rather than paying equal instalments throughout the year.

RED MEAT PROFIT PARTNERSHIP

RMPP are now sending out monthly newsletters. If you are interested in signing up to this, please subscribe [here](#).

TEAM VIEWER

Brown Glassford has purchased a subscription for Team Viewer. This is a programme that allows us remote access to your computer. We can use this to talk you through how to fix a problem or show you how to do something.

MANAGING EMPLOYEES

To effectively manage employees, a manager should give regular feedback as well as facilitate an annual performance review.

An annual performance review should:

- Clarify the tasks involved in an employee's role
- Define the basis for wage increases
- Define the basis for disciplinary action
- Measure staff performance consistently
- Document employee improvements
- Identify training and development needs
- Provide motivation to improve skills and performance
- Help to align company goals with those of the employee

An effective performance review process will benefit employees, management and the way the entire business operates. Creating a culture that encourages personal growth and accountability ensures overall business success.

An effective performance review process should:

- Be clearly documented and accessible to staff
- Be fair and consistent across all employees
- Includes a review form for the employee to complete that engages discussion of the highs and lows in their role as well as their aims for professional development and their perceived achievement of predefined goals.

A performance review should clarify what you expect from your employee and what your employee expects from you. It should define an employee's specific objectives and the necessary timeframes to manage the delivery of these.

Your team is an investment requiring time and energy. Annual reviews will help you to ensure the professional development of your staff and your business. Having regular discussions about goals will help to keep staff engaged and achieve high performance in a high accountability culture.

2016 FARM STATISICAL SURVEY

Every year, in conjunction with Pita Alexander of Alexander & Associates, we prepare a Farm Statistical Survey. The 2016 Farm Survey has now been completed. The 2016 Farm Survey includes Sheep, Beef, Cropping and Dairying groups. Please visit our website to view Farm Surveys from 2008 to 2016 or contact the office if you would like to be sent a hard copy.

NZCA

Brown Glassford have recently become a member of **NZCA – New Zealand Chartered Accountants**.

NZCA is a network of 30 independent Chartered Accounting firms throughout New Zealand established to enable firms to enhance services provided to their clients by sharing resources. They have a number of corporate partners including Aon, ANZ, MYOB, OfficeMax, TMNZ, Wolters Kluwer and Xero. Membership is limited to enable members to have some exclusivity in their particular region. Please feel free to have a look at their website:

www.nzca.com.