



## AUGUST 2018

### SNIPPETS

#### SOME REQUESTS TO PAY TAX ARE NOW BEING SENT DIRECTLY BY THE IRD

The IRD may now contact you directly, even though we are your tax agents advising there is tax owing.

Before paying, please contact the partner or clerk who you deal with at Graham & Dobson as the tax may have been paid or is being disputed.

#### GST REFUNDS WITHHELD?

What are your rights when the IRD withholds your GST refund?

If the IRD is withholding your GST refund, they must notify you within 15 working days of receiving your GST return that they require further information or that they are investigating your return. If notification has not been sent to you within this period, the refund must be released.

The IRD have another 15 working days after the receipt of that information to either release the refund or to request further information. If the refund is the subject of investigation, the IRD may take as long as is required, without any time limit, to withhold the GST refund while they conduct their scrutiny.

#### HAVE A CAPTAIN COOK (LOOK!) AT THIS!

The Australian Government has launched a new compulsory biosecurity safety video aimed at all incoming aircraft and cruise line passengers. The new mandatory announcement is engaging and available in 14 languages in written and audio formats. The biosecurity message is delivered with a "Don't be sorry, just declare it" punchline and depicts people using everyday excuses to get past Australian border officials with fish, wooden objects, plant and other materials hidden in their luggage.

It would be great to see Customs New Zealand use similar innovative tactics at our borders to get "at risk" items declared.

#### A DREAM PROJECT!

In a drive to encourage more young Kiwis to sign-up to a building trade apprenticeship, the Building and Construction Industry Training Organisation (BCITO) came up with a novel way to demonstrate what is possible in the trades.

Wellington siblings, eight year old Xavier and six year old Tui, were asked to design their dream house – which became a project complete with his and her turrets, a slide, a letterbox and a rock climbing wall - and so developed into one of the more difficult design briefs a group of seven apprentices will ever face! The BCITO apprentices had just five days to make this dream a reality, delivering the build on time and up to the expectations of New Zealand's toughest little customers! The challenge showcased many of the 15 trade apprenticeships BCITO offers including carpentry, brick and block laying, and glass glazing, completely dispelling the preconceptions some people think of as typical "building" roles. Moreover, Xavier and Tui have had their dream come true.

#### ANTI MONEY LAUNDERING COMPLIANCE

Money laundering is a process whereby "dirty money" received from criminal activities is passed through legitimate businesses and turned into "clean money". It is a significant problem, both in New Zealand and worldwide.

The requirement to comply with anti-money laundering legislation will be extended on 1 October this year to Accountants and other previously exempt financial service providers. Therefore, we may, from time to time, be required to seek additional information from clients when dealing with client assets on their behalf.

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### POLi INTERNET BANKING

Graham & Dobson clients who receive their invoices and statements from us by email, now have the option to use POLi to settle their account.

POLi has been operating in New Zealand since 2007 with Land Transport New Zealand (now NZTA) being the very first merchant to offer POLi payments to their customers as a secure and more convenient way to pay.

Anyone who uses internet/online banking with the six main trading banks can use POLi. There is no cost imposed by POLi for the use of the service. One-off payments allow you to make a single payment from your bank account to another bank account. Your bank may refer to this one-off payment function by a different name, eg. Pay Anyone or 3<sup>rd</sup> Party Transaction.

POLi is favoured by many because it is a direct method of paying with a small number of simple steps:

- 1) From the email sent to you by Graham & Dobson, select the "transact.polipay" link
- 2) Complete the form indicating the amount you will be paying, your client code and name
- 3) Click on 'proceed and pay with POLi'
- 4) Complete the prompts to login into your bank, make payment and receive your receipt.

#### Comment:

**One of the great features of POLi payments is that there are no additional passwords to remember and it is a very safe, direct way of using your internet banking to make a payment.**

### EMPLOYEES MUST BE PAID FOR WORK-RELATED MEETINGS

In a landmark ruling, the Employment Court has found that Smiths City must pay its sales employees for pre-work meetings.

For the past 15 years, Smiths City has been holding meetings outside rostered hours for its sales staff. These meetings run for approximately a quarter of an hour immediately before the stores open to customers and are usually conducted by store managers - their purpose being to communicate essential sales information such as store promotions and customer feedback. Sales staff were expected to attend these "informal" meetings without pay and no wage or time records were kept, although managers recorded what was discussed and who gave presentations on products to colleagues. Reprimands for consecutively missing team meetings were given.

The Court ruled that the meetings were directly related to work responsibilities and therefore sales staff were at work when attending these meetings and must be paid.

#### Comment:

**Where an activity, such as a meeting, is an integral part of the employee's principal activity at work, employers should be careful to ensure the employee is paid for that time.**

### CAN YOU ASK THAT? ILLEGAL INTERVIEW QUESTIONS



What kind of questions are employers legally allowed to ask when interviewing a candidate for a job?

In general, employers are not allowed to ask candidates to provide information about their age, gender, ethnicity or sexuality. The reason questions relating to these elements are unlawful is that these factors are not necessarily relevant to an employee's ability to perform a job. Questions relating to a prospective employee's physical or mental disability, marital status, family or carer's responsibilities, pregnancy, religion, political opinion or social origin are also best avoided.

The following are three questions that are potentially discriminatory, and suggestions as to what you could ask instead:

#### 1) How old are you?

If the request is related to the requirements of a role, such as proof of age to work in a licensed venue, then this question is legitimate. However, if you use a candidate's driver's licence to calculate their age and subsequently discriminate against them on that basis when age is not relevant to the position - that is illegal.

**Instead: Make an offer contingent on providing the requested documentation.**

#### 2) How do you juggle work and looking after your children/elderly parent/disabled relative?

This question smacks of the suggestion that a candidate's family responsibilities, such as being a single mother, are relevant to the decision to employ them - or not!

**Instead ask: "Are you able to commit to working the following hours..."**

#### 3) Have you had any past injuries/illnesses?

As this question relates to a protected attribute (disability), it is unlawful. However, this query could be relevant if it is specifically aimed at asking about degrees of fitness directly related to the ability to perform the inherent requirements of the role.

**Instead ask: "Is there any reason you might not be able to complete the duties required for this role?"**

## INVESTMENT PROPERTIES FOR LAND-TYPE BUSINESSES

Usually where someone who is not involved in the business of dealing with land, buys an investment property, it is to derive rental income. Most likely, they will not be taxed on any gain on the eventual sale unless they are caught by the now 5 year bright-line test.

There are three classes of taxpayers for income tax purposes where the 10 year rule relating to property sales applies – developers, dealers and builders,

Developers and dealers can sell an investment property without incurring tax on any gain if they buy the investment property and keep it for at least 10 years from the date of purchase. If a builder builds an investment property, the 10 year period starts from the date of completion not the date of purchase. Also, if a builder makes any reasonably significant improvements to any property owned by them, the 10 year period starts from the date of completion of those improvements.

What is important to note is that you could be liable for tax on any property sale because you are considered an “associated person” of a developer, dealer or builder, despite not actually being any of these.

### Comment:

**Transactions involving property can be a complex area, so get in touch with your usual advisor at Graham & Dobson before committing to any property purchase or sale.**

## NEW VEHICLE REGISTRATIONS - LAST YEAR - ONE FOR THE RECORD!

New vehicle sales statistics published earlier this year prove that year on year the Kiwi's love affair with the SUV and Ute continues to grow. Last year, of 159,871 new vehicle registrations, 17% were SUV medium type vehicles followed by the pick-up/chassis cab 4x4 segment with 14%.

The top five selling vehicles came as no surprise as they mimic 2016 with little movement:

- 1) Ford Ranger – an impressive total of 9,420 new vehicle registrations saw this Ute hold its position as New Zealand's top selling vehicle
- 2) Toyota Hilux – this rugged truck appears to be the perfect partner for our go-anywhere, do-anything ethos with 8,106 registrations, up 31% from the previous year
- 3) Toyota Corolla – since the launch fifty years ago of the KE10 in 1967, Kiwis have bought more than 253,000 Corollas. Last year saw another 7,797 additional Corollas join New Zealand roads, the majority being rentals
- 4) Toyota RAV4 – New Zealand's favourite SUV, the RAV4 led the shift in Kiwis' car-buying habits from standard sedans to road-focused SUVs.

- 5) Holden Colorado – another Ute, with the new model hitting 4,489 registrations (up 20% from the previous year).

## ABSENCE OF MANDATORY TERMS EQUALS NO EMPLOYMENT AGREEMENT

In a recent Employment Authority ruling, an employer was found to have paid 8% holiday pay unlawfully for two reasons:

- The employee did not work intermittent and irregular hours, and
- The document recording the employment as a 'pay as you go' arrangement did not constitute a proper employment agreement

On the first account, over 15 months of employment, the employee typically worked more than 120 hours a fortnight and regularly six days a week, so his pay as you go holiday pay was in contravention of the Holidays Act.

Secondly, the three page “casual contract” failed to include a description of the work to be performed, state where the work was to be performed, give any indication of when the employee was to work and included no explanation of the employment dispute resolution process – all of which are mandatory clauses to be included in any employment agreement.

The Authority ordered the employer to pay holiday pay for the full period of employment, refusing to allow that the employer had already paid this week by week to the employee. Although the Authority acknowledged this was harsh, it ruled that the Holiday Act was a deliberate instrument of Parliament to provide regularly and continuously employed workers with annual holidays so they have real opportunities for rest and recreation.

### HIGH FIDELITY!

Not so long ago, many Members of Parliament were against Parliament being televised but were eventually dragged into last century. Then MPs started to worry about how they looked on TV and those with bald patches were relieved when camera angles in the House were lowered. Now MPs are among the most avid watchers of their own performances as recorded for YouTube! Now things are being taken to the next level, with the Office of the Clerk about to tender for high definition cameras. What's next? – Parliament in 3D?

## TOWN AND AROUND Poverty Bay A&P Show Pet Competition

Graham & Dobson, a Diamond sponsor of this annual Spring event to be held 12 & 13 October this year, is pleased to continue our sponsorship of the Show's Pet Competition with prize money, goodie bags and ribbons for three classes of pet participants (and their owners!):



# NOT FOOD AS WE KNEW IT!

## BITES FROM THE PAST

In the Fifties and Sixties, Curry was a surname,  
A takeaway was a mathematical problem,  
Indian restaurants were only found in India,  
Rice was only for milk pudding,  
Seaweed was not a recognised food,  
Kebab was not even a word, never mind an ethnic fast food,  
A big mac was what we wore when it was raining,  
Muesli was readily available as cattle feed,  
Oil was for lubricating  
Fat was for cooking,  
Calamari was squid and used for bait,  
Raw fish was cat food, not sushi,  
Fish didn't have fingers,  
Tea was never green,  
Prunes were medicinal,  
Water came out of the tap and was not served with food.

However, we never ever had on our table ... Elbows or Phones!!

