



FEBRUARY 2015

USEFUL SNIPPETS

CHANGES TO PAID PARENTAL LEAVE

Changes to paid parental leave will come into effect on 1 April 2015.



These changes extend the maximum amount payable from 14 to 16 weeks. The changes apply to an employee or self-employed person if:

- the expected date of delivery of their child is on or after 1 April 2015, but the child is born before that date
- the child is born on or after 1 April 2015
- in the case of adoption, if the date on which the carer assumes the care of the child is on or after 1 April 2015.

For babies born on or after 1 April 2015, the Government will also increase the parental tax credit from \$150 a week to \$220 a week, and extend the payment period from eight weeks to 10 weeks.

NZ LOG PRICES HIT A NINE MONTH HIGH

New Zealand export log prices rose to a nine-month high in January as falling Chinese inventories stoked demand in the nation's largest market and local returns were bolstered by a decline in the Kiwi dollar (to a three-year low) and lower shipping costs - the price of oil being more than half of its peak in June last year. Chinese log inventories, which climbed last year due to a weak housing market, are back to near normal levels, helped by a relatively mild winter in China, meaning more building has taken place.



SHOPPERS PLAYED 'CHICKEN' FOR ONLINE BARGAINS

Kiwis bought more Christmas presents than ever on the internet last year, with total online retail spending in December up 12 per cent on the previous year. The BNZ says domestic online shopping clearly outpaced spending growth in physical stores which, according to government figures, rose 4 per cent in December on 2013 levels. However, more people left it until the last minute before Christmas to make their purchases and it appears that people were taking advantage of tempting pre-Christmas specials.

It is also believed consumers are prepared to play a bit of 'chicken' with retailers, holding back spending in order to induce discounts, thereby forcing merchants to bring forward their Boxing Day promotions.

The allure of overseas websites also continued, even though the New Zealand dollar's purchasing power weakened in December.

DRONES REVEAL TAX EVASION

Tax avoidance is a big problem for many governments around the world with some countries going to great lengths to identify and hold tax avoiders accountable. In particular, Argentina has started to use drones to catch people who fail to declare certain items of property in their tax returns.

The unmanned aircraft have taken pictures of at least 200 homes and 100 pools, all of which sit on plots registered as vacant. The drones' findings amounted to missing tax assessments of more than US\$2m (NZ\$2.55m) and the owners of the properties may now expect hefty fines. Could New Zealand be the next country to catch on to this trend?

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THE “TEA BREAK” BILL AND HOW SOME KEY CHANGES MAY AFFECT EMPLOYMENT TERMS AND CONDITIONS



The “Tea Break Bill” finally became law in November. Employers would be wise to become familiar with the amendments before they take effect on 7 March 2015 and may wish to review and update their policies and employment agreements to take the changes into account. It could be that consultation with employees in good faith will be required regarding a couple of key modifications outlined here:

- Rest and meal breaks

Following many misleading headlines, you would be forgiven if you believed that the amendments herald the end of employee rest and meal breaks. The changes introduced do not remove an employee’s rights to take rest and meal breaks – rather they endeavor to balance the importance of the breaks with the need for the provision of these breaks to be practical and flexible for each workplace.

Currently, the Act requires employees to be provided with specific rest and meal breaks, at more or less specific times in any given working shift. This caused difficulty for many employers operating inflexible working rosters, such as employers in the aviation and transport industries.

The amendments replace the current strict rules with more general rights requiring employers to provide employees with reasonable opportunities for “rest, refreshment and attention to personal matters”. Employers must now provide employees with a reasonable opportunity to negotiate the scheduling of rest and meal breaks in good faith, and the breaks should be scheduled to suit business service and production continuity as far as is reasonable.

Employers can determine reasonable break arrangements for employees when agreement cannot be reached. Employers will also be able to restrict breaks for work reasons if it is reasonable to do so, having regard to the nature of the employee’s work. However, in these circumstances, the employer will have to reasonably compensate the employee for any restriction.

Comment:

It is possible these changes might provide employers with more flexibility in the workplace especially when preparing shift rosters. However, employers must remember to negotiate with affected employees in good faith with regard to any rescheduling of rest and meal breaks.

- Flexible working arrangements

All employees will have the right to request flexible working arrangements – not just those employees with caring responsibilities. Employees will also no longer have to be employed for six months to qualify for the ability to ask for flexible working arrangements and will now be able to ask for such arrangements from the start of their employment.

Some of the more common forms of flexible working arrangements that can be agreed to with employees include:

Flexi hours – options such as flexi time, core hours (in which an employee must be at work) arrangements, staggered hours, time banking, part time/job sharing/job splitting and ‘as needed’ hours that allow employees to vary their work hours.

Flexi weeks – options such as compressed full time hours, weekday/weekend swap and weeks on/weeks off which has the potential to improve productivity during quieter time of the day/week, perhaps with commuting outside of peak hours the primary reason for these types of flexible arrangements.

Flexi locations or worksites – options Can include ‘hot desking’ (temporary use of a workstation), teleworking, home working, remote working and telecommunicating - all of which allow employees to work full time or part time from places other than their designated workplace .



Comment:

Employers are required to consider these requests within one month (formerly three months). While the reasons for which employers may decline requests for flexible working arrangements remain unchanged, employers will now be required to respond in writing with an explanation of the basis for any refusal.

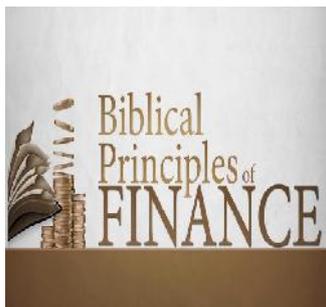
IS IT TIME TO REVIEW YOUR FINANCE FUNCTION?

To be successful, a business needs to strive for profitability and growth. An important element of this is the need to regularly review internal processes and functions. The finance function should be included in that process.

The finance function of any business needs to encapsulate the right tools, systems and processes to provide management with relevant, timely and accurate information to enable effective decision making.

Too often a business's finance function is ignored because the business continues to operate as it always has. But what may have served your business well when you had 10 customers per month, will not necessarily be fit for purpose if you now have 400 – let alone if you aspire to have 1,000.

For some, current systems may be suitable, for others an investment may be required and this may range from small changes to a major overhaul. In this process it is important to take stock of what is working well and consider what could be improved. Examples to consider include your general ledger and payroll packages and whether your finance related staff still meet your business's requirements. It may sound harsh, but the bookkeeper you hired 10 years ago (with his abacus) may no longer possess the skills you need as your business has outgrown him.



One of the biggest areas for potential improvement are 'manual' operations. Moving from manual processing to automated systems has many benefits. In this day and age, electronic cashbooks, Excel models and add-ons (examples are inventory management and customer relationship management) need to be considered.

There is no 'one-size-fits-all', so there should be a process of identifying the needs of your business, and preparing a wish list of information taking into account its size, turnover, growth and complexity. Different tools can then be designed to perform different functions, some more comprehensive and complex than others.

There are many tools in the market that offer plenty of bells and whistles, so it is important to check that their cost does not outweigh the benefits they provide. Getting the right fit is essential.

Just as you get a regular warrant of fitness for your car, your finance function should be no different.

FACEBOOK FOR BUSINESS

You may already be running a Facebook business page and if not, chances are you are thinking about it. Having a Facebook page for your business is a great way to maintain rapport with your clients/customers, build a bigger audience and help raise awareness for your brand, product or service. However, Facebook recently changed the rules surrounding business pages. This means that your organic reach (the number of people who can see your posts through unpaid distribution on any social media) will not go as far as it once did for a number of reasons. There are now so many businesses with Facebook pages that the amount of people posting at any time can be enormous. This affects whether your post will specifically appear in the newsfeed of followers. So you will now have to work a little harder to have your posts seen by more people.

There are some strategies to increase your organic reach on Facebook:

Be open – there is no better way to build trust with your audience than to be open by making your brand and team relatable by posting real photos, updates and information about what goes on in your business (within reason). This nurtures brand loyalty and familiarity, encouraging post likes and comments which display your business more frequently in Facebook feeds.

Be available – by encouraging interaction and responding to this, you are providing access to your brand. Think about different ways you can interact with customers, whether through forums, competitions or through other social media platforms such as Twitter or Instagram. Most programmes are now linked together in a way that allows you to simply tick a box to send the information update across various platforms. Once you have completed the initial set-up these updates can be sent directly from your website and the added benefit is a larger organic reach and higher rankings in search engines.

Be positive – before posting anything, think about your business' social media marketing voice and the tone you intend to use. Is your post to inform, sell or entertain? Also be mindful of the language used, whether it be playful, savvy or a tad more formal and always ensure you post with a purpose.

Comment:

There are different types of social media "Reach":

Paid Reach: The number of people who can see your post as a result of advertisement on social media;

Targeted Reach: The people who are most likely to spend money with businesses such as yours;

Viral Reach: People who have seen your post because a friend has liked, shared or commented on your post.

NEWSLETTERS VIA THE WEBSITE

Newsletters are available by e-mail - please go to our website at www.grahamdobson.co.nz, click on the "Register for *Electronic Newsletter*" icon and complete the registration screen.



The UK's H M Revenue & Customs (HMRC) has revealed the top 10 worst excuses that taxpayers have provided for missing the tax return deadline:

- "My pet dog ate my tax return.....and all the reminders"
- "I was up a mountain in Wales, and couldn't find a post-box or get an internet signal"
- "I fell in with the wrong crowd"
- "I've been travelling the world, trying to escape from a foreign intelligence agency"
- "Barack Obama is in charge of my finances"
- "I've been busy looking after a flock of escaped parrots and some fox cubs"
- "A work colleague borrowed my tax return, to photocopy it, and didn't give it back"
- "I live in a camper van in a supermarket car park"
- "My girlfriend is pregnant"
- "I was in Australia"



The HMRC states that "people can have a genuine excuse for missing a tax deadline, but owning a pet with a taste for HMRC envelopes isn't one of them"