

## Client Shout Out

Ignite potential, empower greatness – that’s what you’ll get from the team at the Y Southland.



Known for their unwavering commitment to building strong kids, strong families and strong communities, the Y Southland is more than just a hub for the community, it’s an organisation dedicated to people; championing not only physical health but also nurturing the mind and spirit of Southlanders for over 150 years.

Armed with a wide range of programmes and facilities, the Y Southland offers youth services, education programmes for ages 15 and a half to 24, a 24/7 fitness centre, climbing and bouldering walls, and a camp at Omaui. Their health and fitness centre provides diverse fitness classes, including a modern spin class and cardiac and respiratory programmes with the Southern District Health Board (SDHB) and fall prevention for the older generation. Their youth services includes one on one youth mentoring, as well as free group programmes that focus on connection and community, and youth leadership programmes.

Recently the Y Southland held a launch event for the refurbishment of their stadium. This renovation, fully funded by the Community Trust South, ILT Foundation, NZ Lottery Grants Board, The Mūrihiku Runaka and Rio Tinto/ NZAS Community Development Fund, gives the stadium a fresh and inviting look. The upgraded stadium is part of their dedication to community support and development and underpins their future vision of necessary upgrades for the rest of their building at 77 Tay Street. The Y Southland know the importance of demonstrating by doing, they’re not just about saying they will do something, they’re about being brave and taking action.



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Our team at McCulloch & Partners (MCP) is proud to have played a role in supporting the Y Southland’s mission. We have provided comprehensive accounting services, strategic financial planning, and risk mitigation. Our expertise across various industries has enabled us to assist the Y in running scenarios, testing business growth phases, and engaging in open, strategic conversations that have guided their team through pivotal decisions.

By leveraging our knowledge, we’ve helped them explore potential outcomes and identify strategies with the best chances of success. This partnership empowers the Y Southland to navigate business decisions confidently and continue their work within the community. Additionally, the MCP Invercargill office has access to memberships subsidised by the firm, supporting our commitment to wellbeing and community engagement.

The story of the Y Southland is one of action, bravery, and commitment to inclusivity and empowerment of our community. As they continue to ignite potential and empower greatness, we celebrate their achievements and look forward to a continued partnership that will boost their vision even further.

# Tax Bracket Changes

The budget announced the details of the tax cuts that the National, Act and New Zealand First government had campaigned on. [The changes are effective from Wednesday 31 July 2024.](#)

Old Brackets	New Brackets	Rate
0 – 14,000	0 – 15,600	10.5%
14,001 – 48,000	15,601 – 53,500	17.5%
48,001 – 70,000	53,501 – 78,100	30%
70,001 – 180,000	78,101 – 180,000	33%
180,001+	No change	39%

For individuals the tax brackets have been amended, this will help to correct “bracket creep” that has arisen from wage inflation since the last bracket changes in 2010. For example, a worker on minimum wage working 40 hours a week was on \$26,520 in 2010 would now be on \$48,152.

This means that most taxpayers earning more than \$14,000 (approximately 90% of New Zealand households) the tax cuts save New Zealanders between \$4-\$40 per fortnight.

Due to the above rate changes this will have consequential changes to thresholds for FBT, RWT and PIEs. The 2025 tax year will have some composite thresholds to account for the change, effectively this will mean there are 8 tax bands.

Also changing is the Independent Earner Tax Credit, for this the upper threshold being raised from \$48,000 with abatement from \$44,000 to \$70,000 with abatement from \$66,000.

This will help an anticipated 420,000 additional taxpayers to receive the credit, which is \$10 per week if the taxpayers do not receive any government support such as Working for Families and NZ superannuation.

## Changes to Bright-line Property Rule

From July 1, 2024, there will be significant changes to the bright-line property rule that you need to be aware of.

### Here's what you need to know:

#### Date of sale

If you sell a property on or after July 1, 2024, the bright-line property rule will only apply if the property is sold within two years of purchasing it.

For properties sold before July 1, 2024, the current bright-line periods still apply.

#### Main home exclusion criteria

The bright-line property rule generally doesn't apply if you sell your main home, and this remains unchanged.

However, specific criteria for the main home exclusion must be met:

- + Use more than 50% of the property's area as your main home.
- + Use the property as your main home for more than 50% of the time you owned it.

If you build on the land, the construction period won't be included in determining if your usage qualifies for the main home exclusion.

#### New rollover relief rules for associated persons

Rollover relief rules will now extend to associated person rules, including associated companies, relatives, trusts, partnerships, and more.

These rules apply when the transferor and transferee are associated for two years before the transfer, with rollover relief limited to once in any two year period.

Make sure to stay informed and consult with your MCP advisor to understand how these changes may affect your property investments.

## Family Boost

This was announced in March and allows parents to claim back up to 25% of childcare costs, capped at \$75 per week for households with income under \$140,000. This abates until the household income reaches \$180,000. This will require invoices to be uploaded to IRD, with payments being made quarterly.

**As always, if you have any questions, please reach out to your MCP advisor.**



## Preparing for Retirement

In June, we held a workshop in collaboration with Cruickshank Pryde, Ray White, and Craigs Investment Partners. Megan Clark, from the Invercargill office, represented McCulloch & Partners to share her expertise and offer invaluable advice.

The workshop provided guests with the knowledge and strategies necessary for a seamless transition into retirement. The panel of experts in law, finance, real estate, and investment planning focused on ensuring attendees were fully prepared for their retirement journey.

It's never too early to start planning. Set some time aside to talk with your MCP advisor on how to prepare.



## Celebrating 150 Years of MCP

Over the past 150 years, we've witnessed the incredible evolution of accounting and office technology.

From the days of handwritten ledgers to the introduction of digital platforms and cloud-based solutions, we've seen remarkable advancements in the availability of information, integrations, machine learning, and artificial intelligence. Each innovation represents a milestone in our commitment to staying at the forefront of technology.

At McCulloch & Partners, we've embraced every advancement to better serve our clients, ensuring efficiency, accuracy, and excellence in all we do.



**1930**

Introduction of electronic calculators.

**1970s**

Mainframe computers emerged revolutionising accounting processes. Sord Computer.



**1975**

Introduction of spreadsheets. Equipment of the time: Burroughs B700 Printer.



**1980s**

Personal Computers (PCs) made software accessible to smaller businesses.



**1999**

Web-based accounting solutions are made available for accessible accounting and cloud-based data security.

**2010**

Mobile accounting apps with on the go access to financial data.

## Staff Updates

As part of our ongoing growth and success, McCulloch & Partners are proud to recognise the achievements of our team members with a number of promotions during this quarter.

### **Emma Philpott - Promoted to Associate**

With years of experience in accounting and a background in both rural and commercial sectors, Emma has developed expertise in budgeting, cash flow forecasting, management accounting, board reporting, financial accounting, and taxation.

Valuing picking up the phone and building strong relationships with clients, Emma strives to help them achieve both personal and business goals. She is dedicated to helping businesses grow and make the most of their assets, using her knowledge of technology and strong client relationships to create efficiencies.

Emma is heavily involved in her family's sheep farm which gives her first-hand experience of the challenges that rural clients face on a daily basis.



### **Marielle Baxter - Promoted to Associate**

With her knack for thinking outside the box, Marielle thrives on creating tailored solutions to meet our client's diverse needs.

Marielle specialises in providing business advisory, management accounting, and taxation services to large clients in the agricultural sector and the forestry industry. Her approach to working with clients is marked by a dedication to finding practical solutions that streamline reporting processes and enhance efficiency. Her extensive expertise includes board reporting, financial accounting, budgeting, cash flow forecasting, taxation, and IT solutions.

Outside of work, Marielle is very hands-on with her two young boys and enjoys spending quality time with her family.



### **Hamish Brimble - Promoted to Associate**

With insight into the investment landscape, valuation trends, and the various challenges in raising external capital, Hamish brings a wide range of skills to the table and a holistic understanding of the challenges businesses face.

With 10+ years of experience in corporate finance, Hamish's expertise covers a wide range of areas, including securing external funding, identifying operational risks, developing long-term strategies, and board reporting styles that ensure appropriate engagement. He has worked with numerous businesses of varying complexity. Hamish is committed to maintaining open dialogue and honest conversations providing value to his clients.

Outside of work, Hamish enjoys participating in outdoor activities such as mountain biking, climbing, hiking, and swimming.



## Pink Shirt Day

The Invercargill office proudly supporting Pink Shirt Day!

McCulloch & Partners stands united against bullying by wearing pink. Pink Shirt Day reminds us of the power of kindness and the importance of creating a safe and inclusive environment for everyone.

We enjoyed a morning tea shout and will be making a donation to The Mental Health Foundation NZ.



## Westpac Chopper Ride

Passionate about ensuring rescue helicopters are available to those in need, Kieran Middleton has completed his second Westpac Chopper Appeal Bike Ride, covering a challenging 245km route from Queenstown to Invercargill.

His dedication and effort are making a significant difference in supporting this important cause. Congratulations Kieran!



## Key Dates: July – September 2024

### July

5 July	<b>PAYE:</b> (Large Employers) for the period 16 June to 30 June.
22 July	<b>PAYE:</b> (Small Employers) for the period 1 June to 30 June. <b>PAYE:</b> (Large Employers) for the period 1 July to 15 July.
22 July	<b>FBT:</b> Return and payment due for the quarter ended 30 June (Quarterly basis).
29 July	<b>GST:</b> Return and payment due for the period ended 30 June. <b>Provisional Payment (Income Tax)</b> <ul style="list-style-type: none"> <li>• 1st Instalment (February balance date)</li> <li>• 2nd Instalment (October balance date)</li> <li>• 3rd Instalment (June balance date)</li> </ul>

### August

5 Aug	<b>PAYE:</b> (Large Employers) for the period 16 July to 31 July.
20 Aug	<b>PAYE:</b> (Small Employers) for the period 1 July to 31 July. <b>PAYE:</b> (Large Employers) for the period 1 August to 15 August.
28 Aug	<b>GST:</b> Return and payment due for the period ended 31 July. <b>Provisional Payment (Income Tax)</b> <ul style="list-style-type: none"> <li>• 1st Instalment (March balance date)</li> <li>• 2nd Instalment (November balance date)</li> <li>• 3rd Instalment (July balance date)</li> </ul>

### September

5 Sep	<b>PAYE:</b> (Large Employers) for the period 16 August to 31 August.
20 Sep	<b>PAYE:</b> (Small Employers) for the period 1 August to 31 August. <b>PAYE:</b> (Large Employers) for the period 1 September to 15 September.
30 Sep	<b>GST:</b> Return and payment due for the period ended 31 August. <b>Provisional Payment (Income Tax)</b> <ul style="list-style-type: none"> <li>• 1st Instalment (April balance date)</li> <li>• 2nd Instalment (December balance date)</li> <li>• 3rd Instalment (August balance date)</li> </ul>