

## Client Shout Out



Two decades of flooring the community with craftsmanship excellence.

Two decades ago, a vision transformed a Southland staple: Chris and Rebecca Burns purchased Winton Flooring Xtra, embarking on a journey of craftsmanship and community commitment. Their expertise is showcased everywhere, from homes to high-profile locales like Real Journeys vessels and the Cardrona Ski Field. It was at this point they engaged the services of McCullochs & Partners, Ross Jackson, who continues to be an integral part of their business today.

The decision to join the Flooring Xtra national cooperative in 2009 wasn't just strategic—it was about intertwining local craftsmanship with nationwide resources. From the original team of seven, the enterprise now has 31 passionate professionals, with two from the founding crew, echoing loyalty and dedication.

Their distinct touch is all about connection. Experts from Flooring Xtra visit homes, ensuring precision from advice to installation. This commitment to excellence isn't unnoticed; in 2023, one of their apprentices was proudly awarded the National Apprentice of the Year title.



(L-R) Chris and Rebecca, Flooring Xtra Invercargill & Winton.



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Awards have been a part of their journey. 2021 saw them bagging multiple Flooring Xtra accolades, reinforcing their stellar reputation. But the Burns' narrative isn't solely about accolades or business - it's about the heartbeat of Southland. Through community initiatives, from supporting local sports teams to engaging over 240,000 viewers in a local-focused marketing campaign, they cement their local imprint. The team are celebrating two decades and still feeling the excitement from receiving a coveted finalist spot in the 2023 Southland Business Awards.

Today, Chris and Rebecca usher in a new era at Flooring Xtra Invercargill & Winton by extending a warm welcome to a group of dedicated employees as new shareholders, further fortifying and expanding upon the legacy they've cultivated in Invercargill and Winton.

Here's to evolving while staying rooted in the values that have always defined them.

# Nigel Russell

It is with deep sadness that we acknowledge the passing of our friend and colleague, Nigel Russell. Nigel passed away suddenly on Tuesday the 8th of August, aged 58.

He has been a dedicated and loyal employee of McCulloch and Partners for 25 years.

His quality work and service to our clients has been exceptional and he would be humbled by the many messages of admiration from both clients and the business community we have received and shared with his family.

Nigel had a heart of gold and we are honoured to have been his work family for such a long time.

Our thoughts and deepest sympathy are with Tracey, Peter, Brenden and James.



# Wig Wednesday

During September some of the Invercargill office donned wigs to support the Child Cancer Foundation, as part of Wig Wednesday.

Staff members brought a plate for morning tea and raised \$300 for this great cause.



# Free Xero and Figured Workshops

Make sure to join us for our one of our FREE monthly workshops at our Invercargill office where we'll teach you all about Xero or Figured - we have two of each workshop dates left for 2023.




## Xero Workshops

In these workshops, you'll discover how to make the most of Xero with the latest functions and tips. Build your confidence in using the software to capture and review your financial information while maximise efficiencies.

 20 Don Street, Invercargill

 12.30pm - 2.00pm

 Wednesday 11th October  
Wednesday 8th November




## Figured Workshops

In these workshops, we'll teach you how to maximise Figured's farm financial reporting, lending services, performance insights, and more. With Figured, you can plan ahead with confidence and start seeing the complete picture all within one system.

 20 Don Street, Invercargill

 12.30pm - 2.00pm

 Thursday 12th October  
Thursday 9th November

Spaces are limited, so book to secure your spot by getting in touch with your usual McCulloch & Partners contact or email [mcp@mcp.co.nz](mailto:mcp@mcp.co.nz)

## Does Your Business Use Both Employees and Contractors?

It's important to distinguish between them as they are paid and taxed differently.

Despite what you may call the individual concerned, that description is not definitive. If the status of the worker is questioned in the Employment Court or Employment Relations Authority, for example, the Employment Relations Act 2000 requires a consideration of the 'real nature of the relationship'. Common law tests assist in determining what that is. They include:

- + the control test, ie how much control the hirer has over the worker
- + the integration (or organisation) test, ie whether the worker is independent or instead an integral part of the business organisation of the person who engaged them
- + the economic reality (or fundamental) test, ie is the worker performing services as a person in business on their own account?

These tests, which can involve many considerations, and the law that has developed in the employment jurisdiction, also assist Inland Revenue when it's investigating the status of a worker.

### Key payment differences

When paying employees, businesses should deduct PAYE, ACC, Student Loan Repayments, Child Support, and KiwiSaver/ Superannuation.

Inland Revenue takes a tough stance on employers who ignore their PAYE obligations by treating employees as contractors. Companies that breach the rules can be prosecuted and fined.

Subcontractors - there is a requirement to deduct withholding tax, which is paid to the IRD from subcontractors in some lines of work

### The bottom line

As an employer, you need to keep good records and be clear on your obligations concerning the taxation of your workers' earnings.

# Health and Safety Plans

Health and safety is a vital part of any business, but when was the last time you checked your company's health and safety plan?

Under the Health and Safety at Work Act 2015, both "Persons Conducting a Business or Undertaking" (PCBU) and workers (including employees and contractors) have health and safety duties in the workplace. The duties relate to their own health and safety and that of their co-workers, clients, and even unconnected members of the public. The Act requires you to have a high degree of engagement with your staff about health and safety matters.

Whether you have a couple of staff or two hundred, here's a three-step strategy to ensure you're covered:



## Step One: Assess your risks

Gather your team and discuss all the potential risks and hazards that might face your business. If you're office-based, what kind of risks should you look out for? If you work outside, are you prepared for all eventualities?

Don't overlook social hazards, such as overworking, bullying, stress, and burnout. They're just as important as physical risks.

Consider what you're already doing to mitigate your risks and how you can do even more.



## Step Two: Commit to a plan

Once you've thoroughly assessed your workplace risks and hazards, you'll need a health and safety plan with procedures to mitigate their impact.

Your plan has to be actionable, practical and realistic in the context of your everyday work. Consider how the new procedures will be adopted.

Through your new plan, you might need new training records, lists of first-aid equipment, or a new induction for incoming staff. It could also feature HR policies on workplace health and safety that employees can agree to.

As a New Zealand business, your company also needs a process for reporting notifiable events to WorkSafe.



## Step Three: Action your plan

Don't draw up a plan and leave it to gather dust. Make sure it's implemented as soon as possible, and take time out of your working day to get everyone on board.

Health and safety is an ongoing challenge and requires ongoing attention. Make sure you run regular courses and drills to keep everyone up to date, and include staff on updates, so they can raise any new risks and hazards.

In particularly dangerous and hazardous sectors, it can help to set targets to measure the impact of your plan. For example, a building company could have targets for keeping workplace injuries low, or an office-based business could have a target to prevent sick days and burnout.



# Interest Earned From Term Deposits

Are you paying too much tax on interest earned from your term deposits? Read on to find out how to cap your tax rate at 28%.

In April 2021, the top marginal tax rate was lifted from 33% to 39% for individuals with taxable income over \$180,000. More recently, the Government has announced that the tax rate for trusts will also go up to 39% from April 2024, and both Labour and National plan to go ahead with this change. This 39% tax rate will apply to all taxable income of the trust.

You will also be aware that interest rates have risen sharply over the last 18 months. With higher interest rates from term deposits, tax efficient investing becomes more relevant.

In October 2007, the Government introduced the PIE ('Portfolio Investment Entity') regime, which provides a favourable tax treatment for certain investments.

One of the big advantages of PIEs is that the top tax rate is capped at 28% for individuals and trusts. For those investors on a 39% tax rate, investing via a PIE reduces the tax rate by 11%. This can result in a material saving in tax - for a \$100,000 term deposit earning 5.2% over a year, the tax saving will be \$572 for a 39% taxpayer.

Not only can PIEs be used for long-term investment strategies (with a mix of different assets such as bonds, shares and property), but they can also be used for short-term investing such as bank term deposits. There are Cash PIEs which invest in the likes of short-term bank bills and deposits providing returns in line with bank term deposits, but with the PIE tax rate capped at 28%.

For example, a term deposit will have to earn interest of 6.1% for a 39% taxpayer, to equate to a Cash PIE returning 5.2% less 28% PIE tax.

**If you would like to know if PIEs will be tax efficient for you when compared to your existing term deposits, or longer-term investment portfolio, then please contact us and we will put you in contact with a financial adviser to discuss your options.**

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## Payment Terms and Options

With nearly 150 years of experience in providing professional services to our clients we are well aware of the pressures that are impacting some clients.

During these times it is essential that terms of trade and payment terms are set and applied.

At McCulloch & Partners we pride ourselves on following best business practices and this year will be implementing a slightly firmer approach to our debtor management processes than you may have experienced in the past.

Please do not be offended if you are contacted by one of our accounts receivable team who will be putting these processes into effect and administering our current payment terms. These payment terms are payment 14 days after the date of invoice.

We understand the importance of supporting our clients by providing options and in order to assist you in adhering to our payment terms we have various payment solutions to suit your needs, such as:

- + Direct credit to our bank account;
- + Eftpos;
- + Credit cards (Visa/MasterCard/Amex):
- + Monthly payment options via FeeSmart.

If you wish to find out more about our payment options, please contact our office to discuss what solution will work for you.

**Payment options are available on [our website](#).**

# SWOT Analysis

Having a current SWOT analysis is a business tool that can take your strategic planning to the next level.

A SWOT analysis will help you develop a strong business strategy by making sure you've considered all of your business's strengths and weaknesses, as well as the opportunities and threats it faces in the marketplace.

Our team can guide you through developing or updating your analysis, enabling you to evaluate your business and industry from every angle. We guide you to ask the tough questions and offer an outside perspective to embrace change, seize opportunities, and mitigate threats.

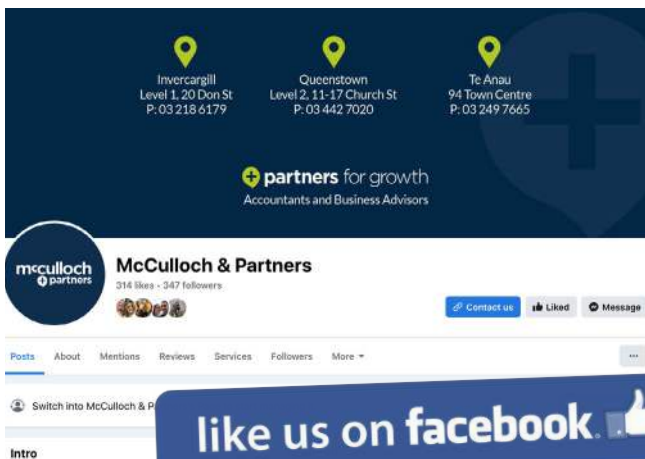
- + Gain insights into your strengths to leverage them for success.
- + Address weaknesses head-on to overcome obstacles.
- + Identify opportunities to grow and evolve.
- + Mitigate potential threats that could impact your progress.

Contact the team at McCulloch & Partners to elevate your strategic planning and propel your business toward excellence!

# Find us on Facebook

Our Facebook page is where we share staff and client achievements, industry news, tips and reminders, upcoming events or important changes that may affect you and/or your business.

Find us here: [www.facebook.com/McCullochPartners](http://www.facebook.com/McCullochPartners)



# Key Dates: October – December 2023

## October

- 5 Oct **PAYE:** (Large Employers) for the period 16 September to 30 September.
- 20 Oct **PAYE:** (Small Employers) for the period 1 September to 30 September.  
**PAYE:** (Large Employers) for the period 1 October to 15 October.
- 30 Oct **GST:** Return and payment due for the period ended 30 September.  
**Provisional Payment (Income Tax)**
  - 1st Instalment (March balance date, six monthly GST).

## November

- 6 Nov **PAYE:** (Large Employers) for the period 16 October to 31 October.
- 20 Nov **PAYE:** (Small Employers) for the period 1 October to 31 October.  
**PAYE:** (Large Employers) for the period 1 November to 15 November.
- 28 Nov **GST:** Return and payment due for the period ended 31 October.

## December

- 5 Dec **PAYE:** (Large Employers) for the period 16 November to 30 November.
- 20 Dec **PAYE:** (Small Employers) for the period 1 November to 30 November.  
**PAYE:** (Large Employers) for the period 1 December to 15 December.