

Client Shout Out



Bringing the heat and the heart to the deep South.

When it comes to energy efficiency in the Deep South, Awarua Synergy doesn't just follow trends, they're leading the way. Proudly based in Southland, this innovative company has made it their mission to bring warmth, health, and affordability to the homes, farms, and businesses of one of New Zealand's toughest climates.

Awarua Synergy was born out of the hugely successful Bluff Healthy Homes project, which worked to insulate more than half the homes in Bluff. The initiative not only kept people warmer, but it also helped to educate locals about the benefits of energy efficiency, sustainable heating, and smart living. The project's impact was so significant that it inspired the creation of Awarua Synergy, taking what worked in Bluff and expanding it across the region.

Today, Awarua Synergy is a trusted name in energy solutions, offering a range of products and services that include high-performance insulation and heating systems, LED lighting, ventilation, double glazing and hot water upgrades. Every building is different and the team at Awarua Synergy prides itself on carefully assessing each client's needs and designing tailored solutions that will make a real difference. Awarua Synergy knows that what works in Auckland won't necessarily work in places like Gore, Winton, or Invercargill. That's why they've searched the world for systems and technology that suit the specific challenges of our environment, and why their clients continue to see real results in comfort, health, and energy savings.

Awarua Synergy is committed to making a positive impact in the community by offering free life-changing workshops in local workplaces. These workshops are designed to educate everyday Southlanders on how to get the best out of their heating systems, reduce power bills, and maintain a dry, warm home during the winter months. By providing practical tips and hands-on guidance, Awarua Synergy helps participants improve their energy efficiency and overall quality of life.



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McCulloch & Partners has had the privilege of supporting Awarua Synergy with tailored financial advice and strategic planning, ensuring compliance and sustainability in their operations. Our expertise in business advisory and accounting services has helped Awarua Synergy navigate financial complexities while supporting long-term growth. Through tailored solutions, MCP has played a key role in strengthening Awarua Synergy's financial foundation and operational efficiency.

We're incredibly proud to work alongside a business that not only improves lives but does so with innovation, integrity, and heart.

Great stuff Awarua Synergy. A local success story driven by purpose, powered by expertise, and dedicated to helping the deep south live warmer, healthier, and more energy-efficient lives.

Making Winter Work For Your Bottom Line

Off-season doesn't mean off-duty — now's the time to review, rethink, and get ahead of the next season's challenges.



As the days shorten and pastures slow, farmers across New Zealand turn their focus to winter, a season that, while quieter in the paddock, is crucial behind the books. From managing feed to fine-tuning finances, winter prep lays the foundation for a profitable year ahead and is a great time to review farm assets.

Deciding whether to replace farm buildings, plant or equipment isn't just about fixing what's broken, it's about making smart, long-term business decisions. Some practical strategies to consider while analysing when it's time to upgrade are:

Frequent Replacement

This involves trading in key assets regularly, often every few years to minimise downtime and repair costs. It's ideal for large-scale operations where equipment failure during peak seasons could be costly. An upside being newer gear remains under warranty, however a drawback can be the higher capital outlay and potential finance costs.

Staggered Replacement

Replacing one or two assets each year, spreading costs and avoiding large capital outlays. This method works well for operations with steady income and allows for better budgeting and cash flow management.

Opportunistic Replacement

Assets are only replaced when there's surplus cash. This typically happens after a strong production year or a good payout. While this reduces financial pressure, it can lead to unpredictable reliability and rushed decisions if a breakdown occurs.

Run-to-Failure

Some farmers keep assets until they are no longer functional or cost-effective to repair. It's the most budget-friendly in the short term, but carries high risk, especially if breakdowns happen during critical periods over the spring or summer seasons. It takes careful cash flow planning to ensure equity is available when needed.

New vs Second Hand

New items offer the latest technology, warranties, and are in pristine condition, but come at a higher cost. The government's recent 20% investment boost scheme makes buying new more appealing, with a company saving 5.6% of the cost in tax. Second-hand items are more affordable and can be of high quality if well-maintained, though they may lack warranties and require higher maintenance.

Whichever strategy is chosen involves a balancing act between capital and maintenance costs and the impact on cash flow. To assist with the decision, it is smart to maintain a detailed asset register, track depreciation, and schedule regular maintenance. This not only supports better decision-making but also strengthens your case when applying for finance or insurance.

[Get in touch with us to explore the different asset management strategies and what the potential benefits and costs could be to your business.](#)

Budget 2025

Following May's Budget 2025 announcement, we wanted to highlight the key budget developments that may impact our clients.

Here's what's changing:

Investment Boost – 20% Immediate Deduction

Effective 22 May 2025, businesses can claim an immediate 20% tax deduction on the cost of qualifying new depreciable assets in the year of acquisition, in addition to standard depreciation on the remaining 80% of the asset's value.

Key Points

- + **Eligible Assets:** New assets such as machinery, equipment, vehicles, and commercial buildings.
- + **Exclusions:** Land, residential buildings, trading stock, fixed-life intangible assets (e.g., patents), and assets previously used in New Zealand.
- + **No Value Cap:** There is no upper limit on the value of eligible investments.
- + **Depreciation Base Adjustment:** Standard depreciation applies to the asset's cost after deducting the 20% immediate deduction.
- + **Tax Losses:** If the deduction results in a tax loss, it can be carried forward to offset future taxable income.

This measure aims to enhance cash flow for businesses, encouraging investment in productive assets.

KiwiSaver Contribution Increases

From 1 April 2026, the minimum employee and employer KiwiSaver contribution rates will rise to 3.5%, with a further increase to 4% from 1 April 2028. Employees facing financial hardship can apply to maintain a 3% contribution rate for up to 12 months.

Budget 2025

Here's what it means for you.

Enhanced Inland Revenue Compliance Efforts

An additional \$35 million annually has been allocated to Inland Revenue to bolster tax compliance and collection activities, supplementing the existing \$27 million funding. This investment aims to yield a return of \$4 for every \$1 spent in 2025/26, increasing to \$8 per \$1 in subsequent years. Recent audits have uncovered significant discrepancies, particularly in the property sector, including issues related to GST and the bright-line rule.

Proposed Reforms to Thin Capitalisation Rules

The Government has initiated consultation on reforming New Zealand's thin capitalisation rules to better support infrastructure investment.

Considerations:

- + **Objective:** Attract more foreign investment into New Zealand by potentially relaxing existing thin capitalisation settings.
- + **Options Under Review:** Adjusting debt-to-asset ratios or introducing alternative measures to determine allowable interest deductions.

As always, if you have any questions or concerns about how these changes could impact you, get in touch for a chat with your usual MCP contact.

Business Advisory

It can be tough at the top, but you don't have to do it alone.

Running a business is no easy feat, there's the constant juggle of managing cash flow, staying compliant, keeping track of expenses, and making strategic decisions that impact the future of you, your family, and your staff. When you're stretched thin and trying to stay on top of it all, it can be overwhelming.

You need a partner who truly understands the demands you're facing and can provide the clarity and direction you deserve.

That's where we come in. At McCulloch & Partners, we provide practical, straightforward advice that you need to manage your finances confidently. Our team of down-to-earth, hardworking professionals are here to guide you through every challenge. We'll help you identify financial blind spots, tackle compliance issues, and work together to create a roadmap that aligns with your goals.



Payroll Becoming a Chore?

Take the stress out of payday with our tailored packages to suit.

Are the complications of paying your staff getting too much? Our team of payroll specialists have the tools and the expertise that'll make payroll a breeze.

McCulloch & Partners offer a tailored package to suit your needs that can include:

- + Independent health checks and audits
- + Software and support
- + Wage reconciliations
- + PAYE Returns
- + Holiday Pay for casual or salaried staff
- + Employee deductions including Kiwisaver, student loan

[Payroll doesn't have to be a headache. Get in touch to see how we can help.](#)

Fact vs Myth

Myth: You really only need to see your accountant once a year at tax time.

Fact: While end-of-year tax returns are important, the real value of working with a business advisor comes from regular check-ins and ongoing support throughout the year.

From helping you improve cashflow and plan for tax, to identifying growth opportunities and keeping your business financially healthy - we're here for more than just the numbers.

Let's talk about how we can help you stay on track, make informed decisions, and grow with confidence.

Staff Celebrations

McCulloch & Partners are proud to celebrate the long standing service of three of our valued team members.

Congratulations to Melanie Tomlins on her 10 year anniversary with McCulloch & Partners. Melanie is a valued member of our team, recognised for her dedication, warm personality, and unwavering support for the partners, staff and clients.

Another huge milestone for Billie Bower who marks an incredible 40 years with McCulloch & Partners. She's a true cornerstone of our team and we are so grateful for everything she brings to the firm. Congratulations Billie, what an achievement.

Also a congratulations to Leah McNaughton who celebrated 10 years of loyal service on the 11th May (and it is noted that Leah worked for MCP before leaving to have her children prior to this). Your contribution to the firm Leah is very much appreciated!



The Great Escape

On May 16th, our Invercargill Social Club hosted a fun filled evening at Solve It & Escape where staff put their problem-solving skills to the test (don't worry, we all made it out!).

We followed it up with a delicious dinner at Mama San and for the brave few, some unforgettable performances at Live Band Karaoke at Waxy's.

A great night out with even better company. Thanks to everyone who came along!



Looking for tax advice?

At McCulloch & Partners, our Tax Advisory team provides expert guidance to help you make smart, strategic tax decisions—whether you're navigating local obligations or international complexity. From migration and tax residency to property development, trusts, and business structuring, we provide practical, forward-thinking advice to help you stay compliant while optimising outcomes.

Dr. Benjamin Walker, partner in our Queenstown office, leads our tax team with a background that includes a PhD in international tax, Big 4 experience, and advising clients across Australasia, the UK, and Europe.

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.

Drop by and give our page a like so we can make sure you are kept in the loop between newsletter editions or meetings with your advisors.

Find us here: www.facebook.com/McCullochPartners



Key Dates July – September 2025

July

7 Jul	PAYE: (Large Employers) for the period 16 June to 30 June.
21 Jul	PAYE: (Small Employers) for the period 1 June to 30 June. PAYE: (Large Employers) for the period 1 July to 15 July.
28 Jul	GST: Return and payment due for the period ended 30 June. Provisional Payment (Income Tax) <ul style="list-style-type: none">• 1st Instalment (February balance date)• 2nd Instalment (October balance date)• 3rd Instalment (June balance date)

August

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

September

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