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We would like to know what you think

If you have any comments or feedback on our newsletter or any items you would like to see included, please e-mail us on reception@qal.co.nz.

Best wishes for autumn

Welcome to our autumn edition of Quay Notes. In New Zealand and around the world we seem to be on an earthquake watch, our thoughts and support have been with family and the communities throughout the Christchurch Plains, and now in Japan and the Pacific Rim. This reminds us that we and our businesses/investments

are not indestructible, the need for risk and reinstatement planning, and the need to manage these, is really as important as ever. This month our Quote of The Month reminds us: "The future depends on what we do in the present" – Mahatma Gandhi.

Is it time to take action and plan?

All the best for an enjoyable and productive autumn

Mark Barry LES



Courtesy of gsdesign@ihug.co.nz

Disaster recovery plan - do you have one?

We tend to think that a disaster will never happen to us, but have you thought what you would do if your business was knocked out by an earthquake or tsunami or other disaster? How would your business cope if you were suddenly killed or injured? These are not things we like to think about, however businesses that have a disaster recovery plan cope with the aftermath of any disaster as well and as quickly as possible.

- Do you have adequate insurance cover?
- Are your important documents stored somewhere safe?
- Do you have a backup document storage system?
- If you were injured or killed, who knows what to do in or for your business?
- Do you have enduring Powers of Attorney for health and for property?

Here are some questions for you to think about:

- Do you have a disaster recovery plan?

There is no time like the present, get started now. We are here to help, so please contact your Client Manager.



Amendments to GST

GST changes from 1 April, 2011, regardless of the taxpayer's balance date, apply to the compulsory zero-rating of many transactions relating to land where the vendor and purchaser are both GST registered. This indicates that the purchaser has the intention to use the land for making taxable supplies, rather than the land being used as the principal place of residence.

So, before you sign any Sale and Purchase agreements relating to property, come and talk to us first. We can then go through the applicable changes and how they impact on your particular transaction and possibly cash flows.

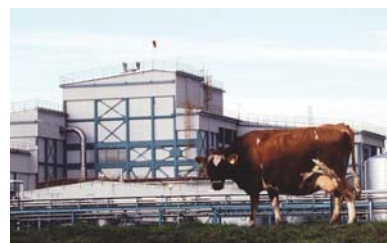


Tax reforms effective from 1 April

A number of legislative changes made in 2010 are effective from 1 April 2011 or from the beginning of the taxpayer's 2011/12 income year. The table below highlights the key changes and their effective application dates.

Effective Date	Key Amendments
Changes that apply from the beginning of the 2011/12 income year (from 1 April 2011 for taxpayers with a 31 March balance date)	<ul style="list-style-type: none"> • Corporate tax rate: drops from 30% to 28%. • Building depreciation: no depreciation for buildings with an estimated useful life of 50 years or more; however, new rules ensure that most fit-out of commercial and industrial buildings is depreciable. • Loss Attributing Qualifying Company (LAQC) changes: LAQCs can remain as QCs or elect to be subject to the new LTC rules or to transition to a sole trader or a partnership at no tax cost. The new QC/LTC rules come into effect from the beginning of the income years commencing on or after 1 April 2011.
Amendments that apply from 1 April 2011 (regardless of the taxpayer's balance date)	<ul style="list-style-type: none"> • GST changes: compulsory zero-rating of many transactions relating to land; new rules for change of use adjustments; changes to the definition of 'dwelling' and 'commercial dwelling'; clarification of the GST rules relating to nominations. • Working for Families: investment losses excluded from the definition of family income; definition of family income extended to include an extra nine types of income (eg. distributions of trustee income, significant fringe benefits and passive income of children over \$500 per annum). • Working for Families, Community Services Cards and Student Allowances: the definition of Family Income has been broadened to include income items not returned in the individual tax returns. If you, your family or children are receiving Working for Families, Community Services Cards or Student Allowances then the definition of income has changed. For those clients receiving weekly or fortnightly payments from Inland Revenue, you will need to contact your Client Manager and they will assess your new Family Income to ensure you do not have a large tax bill at the end of 2012.

Fonterra payout increase



Farmers – how great is it to have Fonterra increase the payout to a record high for this season? But do you know how this is going to affect your tax? You need us to prepare a tax update so you:

- Have no surprises with your tax
- Maximise opportunities to minimise the tax bill before the end of the season
- Plan your cashflow
- Know how much money you have left to pay down debt, buy new equipment or pay for that long deserved holiday
- Minimise IRD Use of Money Interest charges

If you have not already booked a tax update with us, please ring your Client Manager now!

Important recent changes to employer obligations

MINIMUM PAY

From 1 April 2011, the adult minimum wage will increase to \$13.00 an hour. That's \$104 for an eight hour day and \$520 for a 40 hour week.

The new entrants' minimum wage and the training minimum wage will increase to \$10.40 an hour, which is \$83.20 for an eight hour day and \$416 for a 40 hour week.

There are three minimum wage rates:

- The adult minimum wage applies to all employees aged 16 and over who are not new entrants or trainees
- The new entrants minimum wage applies to employees aged 16 and 17 except for those who have completed 200 hours or three months of employment, whichever is shorter; or who are supervising or training other workers; or who are trainees
- The training minimum wage applies to employees aged 16 and over who are doing recognised industry training involving at least 60 credits a year.

There is no statutory minimum wage for employees who are under 16 years old. Visit www.dol.govt.nz for more information.



CHANGES TO THE HOLIDAYS ACT AND THE EMPLOYMENT RELATIONS ACT

Changes to the Holidays Act 2003 and the Employment Relations Act 2000 have been passed by Parliament. The Employment Relations Amendment Act 2010 and Holidays Amendment Act 2010 introduce a wide range of legislative amendments.

The main changes to the Holidays Act include:

- The ability for employees to cash in a maximum of one week of annual holidays.
- Transferring public holidays to another working day.

The main changes to the Employment Relations Act include:

- Extending trial periods to all employers.
- Changes to the personal grievance provisions.
- Requiring consent to be given before a union can access a workplace and confirming communication with employees can occur during collective bargaining.
- Requiring employers to retain employment agreements.
- Extending the role and powers of labour inspectors.

Most changes for both Acts will come into effect on 1 April 2011. The changes will affect businesses differently. If you have any questions please contact your Client Manager or have a look at www.dol.govt.nz



Amendment by IRD for Kiwifruit industry

Inland Revenue have approved those involved in the Kiwifruit Industry the ability to now have a non-standard balance date. All new tax payers default to a March balance date but those in recognised industries are able to apply and will receive the ability to adopt dates that may align better seasonally with the activity that they are involved in.

With Kiwifruit harvest season now extending from March (and may be earlier in future) and not completed until June Inland Revenue are providing the ability of growers to choose balance dates of 31 March, 30 April, 31 May or 30 June. If this is something you would like to consider for your business please contact your client manager to discuss how this would impact on your own circumstances.





Courtesy of gsdesign@ihug.co.nz

Supporting Youth Enterprise Scheme

The Young Enterprise Scheme (YES) is an experiential business programme where secondary students set up a company, create real products or services and make a real profit or loss. The programme starts with a regional "Enterprise-day" in term one, where students come together to brainstorm concepts and test these out with local business people. QAL continues to be a proud supporter of YES; we are able to give our expertise to these future business leaders and share our thoughts on their ideas and always look forward to seeing the ideas come together.

Financial forecasting - helping improve business performance

If you answer yes to any of the following questions you need a financial forecast.

- Are you finding you are running out of cash?
- Are you struggling to pay your creditors on time?
- Do you have peaks and troughs in your cashflow during the year?
- Would you like to know how much you should set aside for tax?
- Would you like to plan for replacement of fixed assets or major repairs and maintenance?
- Would you like to measure your actual to budget?
- Are you planning to expand your business?
- Are your customers slower at paying than they used to be?
- Do you want to know how much money the business can afford to pay you?



able to respond quickly to any change in your business. Financial forecasts will assist you with finance applications to the bank, as well as your annual review.

WHAT IS A FINANCIAL FORECAST?

A financial forecast will show you a month by month breakdown of all your income and expenses through your business bank account for at least a 12 month period. It will give you targets to achieve on a monthly basis. These targets can be loaded into your accounting system, so that you can report your actual results against your budget - enabling you to monitor and manage your businesses effectively throughout the year. By doing this you will be

Quay Accountants are offering a complimentary meeting to talk about target setting for the year – we can then get together to better understand what your objectives are and make recommendations accordingly. Cashflow planning is critical to the survival and growth of any business, without setting targets for the year you will be flying blind.

In order to ensure your success for the new financial year call us to arrange an appointment.



Courtesy of gsdesign@ihug.co.nz

An evening with Lisa Dudson

Quay Accountants is proud to be a sponsor of the upcoming Property Investors evening.

Whether you are a seasoned property investor or just thinking about getting into property investment, this will be an evening of great motivation and inspiration for all.

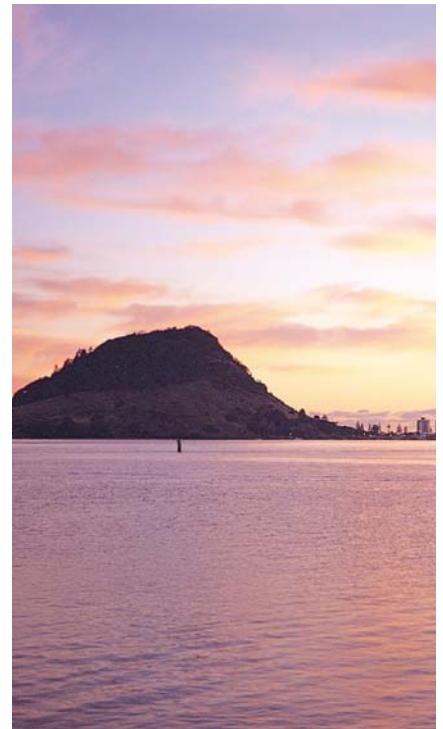
A successful investor and business person for many years, Lisa is a Certified Financial Planner and has held senior positions within the New Zealand Property Investors Federation and Institute of Financial Advisors. She is the author of many books including "The Complete Guide

to Residential Property Investment in New Zealand" and "Winning the Money War". She has written articles for numerous publications, appears on radio and TV, runs courses on property investment and personal financial planning and is a respected seminar speaker.

Quay Accountants do have a limited amount of free tickets for this event, so if you are interested in attending please call Nicole or Jenny now to secure your place.

Property Investors: Evening with Lisa Dudson *"The woman behind the (Money) Man" as seen on TV*

Date	10 May 2011
Venue	Liberty Centre, Wairaka Road, Whakatane
Time	7pm
Cost	\$20.00 Note: Members of the NZPIF get free admission, but still have to book their place by 6 May to secure a seat
Bookings	Through O'Hagan Home Loans & Insurance
RSVP	By 5pm, 6 May



CLIENT PROFILE

Café 88

Chef Joel Byrne opened his buzzy mainstreet Mount café six months ago and has won a following for his home baking. He also does generous breakfasts and light summery lunch specials. The sunny, sheltered back courtyard is the perfect place for a lazy holiday brunch or lunch. Check out Café 88 next time you are passing through the Mount – 88 Maunganui Road, Mt Maunganui.

Team news



Mark strongly disputes that boat fishing is significantly better than kayak fishing! This 13kg Kingy towed him around in his kayak for 30 minutes (even with the anchor down!) while client Russell Snodgrass filled his bag with his limit of snapper. It was a very productive client meeting for both involved!

Tuesday, 8 March saw the Tauranga team decked out in their red and black as part of the Walk 4 Christchurch fundraiser walk through the Tauranga CBD. Ali, Jeanette, Rosie and Trish were joined by kids, friends and 4,000 supporters to walk

the streets and raise money for Christchurch after the 22 February earthquake. The walk was led by members of the NZ Urban Search and Rescue crew, as well as members of the emergency services.

It was great fun, but it was also for a great cause and our thoughts and hearts are with those who have suffered as a result of the earthquake.



QAL welcomes Cushla Richardson and Rosie Laurenson to the team. They will be working as Customer Services Assistants in the Tauranga and Whakatane offices respectively. Rosie was working in our Tauranga office on a studentship and has now moved to the Whakatane office and will be continuing her part time degree. Cushla comes to us from B D Riesterer in Opotiki and has relocated to Tauranga.

Demand letters from Inland Revenue?

The IRD have recently changed their debt follow up procedures – this can result in letters sent to your home or other addresses over minor amounts but threatening dire consequences. If you receive one call your Client Manager straightaway and we'll get it sorted.

Last chance - Loss Attributing Qualifying Company (LAQC)

Over the last couple of months those of you with LAQCs will have received correspondence from us regarding the demise of the LAQC regime. We have now come to the end of our LAQC seminar series; however, we are still holding complimentary LAQC meeting for our clients. How often do you get something for nothing?

An example of a great outcome of these meetings was the ability to preserve tax refunds of around \$6,000 per year for a client. If any work is required, we guarantee the

service offered to you. If the tax savings preserved are less than our fee, then there will be no charge to you.

We have 6 months from the beginning of the 2012 income tax year to transition out of the current QC/LAQC regime without any tax consequences and this is a great opportunity to look at the group structure. We have developed some great options to help you avoid the new complicated LTC regime. **Doing nothing may cost you thousands of dollars!**

Maximising your business goals

In our last newsletter we talked about the importance of setting SMART goals for the year. Our thought for the month was "A rudderless ship is only good at drifting" by business guru Tom Peters, so for those of you who have set some goals, congratulations! For those of you who haven't yet, how about setting aside one hour of next week with the key decision-makers in your business to do it.

As a follow on we encourage you to consider how best to use these goals to add value to your business. We recommend you consider your purpose and/or mission in your business and your main points of difference from your competition. By adding these to your goals you will have very useful information to drive business performance for the year. Here are 10 other ideas for you to consider to get the most from these goals:

1. Share them with your team and ask for their feedback
2. Summarise them onto one page
3. Print them in a colourful way with

pictures/graphics and give them to everyone in your team

4. Stick them on the wall in your office, tea room or work area
5. Use them as a basis for your team members to set their personal goals for the year
6. Use them as the basis for setting your budget for the year
7. Set key performance indicators (KPI's) that will tell you whether you are on track to achieving the goals, eg. gross margin, chargeable hours, sales by division/salesperson, average transaction value
8. Measure and report these KPI's every month (with your team if applicable)
9. Set milestones that break the goal down into achievable targets throughout the year, eg. 20 new clients by 30 September 2011, 10 new referrals per month
10. Use them in your marketing material, eg. website, business cards, brochures, stationery

As always, if you need help or guidance from us please let us know.



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