

Christmas Newsletter - December 2021




Merry Christmas
from the team at
Blackburne Group


We hope you're able to take some time for rest and relaxation this summer.

Another crazy year so it's more important than ever to recalibrate, reconnect, de-stress and be ready to face the year ahead—roll on 2022!!

We close for the Christmas break at 3pm on Thursday 23rd December and reopen at 8.30am on Wednesday 12th January 2022

If you require urgent assistance during the holiday break, phone

Mark 021 288 6662

Sonya 0273 730 910



WAYS TO PAY YOUR ACC LEVY



ACC is a large cost for most of our clients. Contractors are still very labour dependent and forestry remains one of the higher rated industries. The ACC invoice can arrive as a big expense to pay and won't necessarily tie nicely to the cashflow being healthy. Fortunately, there are options to spread the payments and defer the payment timing.

Ways to pay: (in order of my recommendation)

Payment Plan via direct debit - can be 3 or 6 months. This attracts no additional costs.

Pay in full via internet banking, credit/debit card or at a branch of Westpac bank.

Payment Plan via direct debit – 10 months. If cashflow is tight, this can help. But ACC will charge an additional 2.73% admin fee.

Payment options will show on the bottom of the invoice.

If you want to setup a payment plan, this needs to be done 10 days before the invoice due date. After choosing a standard payment plan the first time, all future invoices will roll-over to be on the same terms – until you decide to change.

If you prefer, contact us and we can set up arrangements on your behalf. Simply tell us, what term and what monthly payment date best suits. (Often just after the 20th is best).

For more information contact Logan on 07 376 0092, extn 833



Blackburne Group End of Year work function - November 2021



Payroll update from Kath 07 376 0092 extn 812 / 027 237 6675

Christmas is rapidly approaching, and we are all looking forward to a well-deserved break following a year of unprecedented interruptions and stress.

Take time out to plan your company closedown, if your company is working over the holiday period, make sure you understand the rules around working on public holidays, as Christmas and New Year's fall on a weekend, so therefore public holidays are moved to Monday and Tuesday of the weeks following.

If you are closing down for the holiday period, you will need to give your employees 14 days notice of closure, in writing. You can ask staff to take their existing annual leave, however if they don't have any left, they can take leave without pay, or subject to you both agreeing, they can take annual leave in advance. Make sure that you properly document any leave in advance agreed to, noting that any advance leave will need to be repaid if an employee should leave the company, and hasn't accrued enough annual leave to repay the advance, for you to use. You will need their written authority to deduct from any final pay they may receive, hence the importance of having everything in writing.

Employees can cash-up up to one week of their minimum four weeks' annual holidays in any entitlement year, if you as the employer are happy for them to do so, as long as they haven't already requested a cash up within the year.. Requires their written consent.

As always, www.employment.govt.nz is an excellent website for any queries you may have, but we are also on hand to answer any curly questions around anything payroll or employment related.

Blackburne Group Payroll wish you a happy and safe Christmas/ New Year break... and we look forward to working with you again in 2022.



Log Export Market

The economic slowdown in China combined with a massive increase in shipping costs has led to sharp decrease in wharf gate log prices. While that's not news to any logging contractor, the impacts on harvesting around the country have been highly variable.

Contractors in the Gisborne area appear hardest hit. Negative stumpage quickly becomes an issue on the East Coast with high harvesting, transport and port costs. Contractors in the area are facing a combination of a long Christmas break, production quotas or no work at all.

The position for woodlot contractors around the country is dependent on the forest manager. A number of forest managers have fixed pricing arrangements for log sales. Contractors harvesting this wood are still at 100% production. Others relying on current market pricing have no work available, with nothing expected until at least March 2022. Many larger woodlot contractors are currently being held to 80% of target with a long Christmas break looming (creating issues for staff with minimal annual leave after August's Covid restrictions).

Corporate loggers outside of Gisborne have been largely unaffected at this point. We understand there has been a push to diversify markets away from China, with more volume going to Vietnam, India and North Asia. Domestic consumption remains strong, and the Russian restriction on log exports from January should also have a small positive impact.

Freight rates have dropped in December, and current pricing signals indicate some firming in the market. The reduction in the NZ dollar and some empty NZ ports will hopefully keep positive pressure on log pricing. On the negative side, there are mixed messages relating to property developments in China which could impact on demand next year.

Cashflow management and communication (with staff, banks, finance companies and IRD) are key management tools for contractors under these circumstances. We are highly experienced in these matters and are happy to discuss options with you.

Interest rates

Interest rates are rising, and this trend is set to continue into the new year. Discussing fixed rate options with your finance provider should be on your to do list for the new year.

There are always trade-offs with fixing rates. The certainty and reduced exposure from upward movements in floating rates are offset to an extent by reduced flexibility and high break costs if your circumstances change. Regardless, we recommend contractors get some fixed interest rate options on the table for discussion in 2022. We are available to help guide you through this process.



Handy Xero Support

Making transfers between two bank accounts twice.

When recording a transfer between two bank accounts, business owners tend to code it as a transfer in both accounts, which results in unreconciled transactions in both, i.e. there is a doubling up or duplicate transaction.

If this is not corrected, Xero will have the wrong bank balance. To avoid this issue, record the transfer in one bank account. Then go to the second bank account reconciliation screen and **match** the Xero created transfer transaction.

Need help fixing Xero bookkeeping mistakes?

Don't feel embarrassed about contacting us for assistance. We see this day in, day out. We are more than happy to help! Jolene on 07 376 0092, extn 810



Audit Shield Renewals

A comprehensive tax audit insurance product which covers our professional fees incurred as a result of an official audit, enquiry, investigation, review or examination instigated by the IRD or other NZ government authority.

Renewal invoices will be coming to you around February, for continuous cover please pay promptly.



The reason for this was that IRD has changed their payment process and Westpac were not able to adapt to this change.

Tax Traders needed to continue to offer our clients the best and most flexible payment options which includes ensuring you continue to have until 10pm to make deposits and that you benefit from the automated banking technology Tax Traders use which eliminates the need for human intervention (human error).

Call us if you need the new bank account details.

Diana on 07 376 0092, extn 811



Dear Santa,
That's not what I had in mind when I asked you for a bottle of the most popular alcohol of 2021



Be kind

**Unite
against
COVID-19**

Covid19 Updates

For the latest updates on financial support for businesses visit - www.business.govt.nz

Covid -19 Leave subsidies

- Short Term Absence Payment – This is for a worker who cannot work from home and has to wait for a covid test result. It is \$359 per worker, one off payment for a 30 day period - unless another test is requested by a health official or doctor.
- Leave Support Scheme – Is for the ones who are being required to self isolate and can't work from home. \$600 per week for a full time worker and \$359 for part time.

While the wording is pretty vague, the key here is they need to have been advised to self-isolate. Casual/ secondary contract are not covered. Payments to the employee are processed via the payroll systems and under the normal terms of their employment agreement.

[COVID-19 Leave subsidies \(ird.govt.nz\)](http://IRD.govt.nz)

Resurgence Support Payment (RSP)

There are three RSP currently open for applications, but you must show a reduction in income of at least 30% lower than a normal seven days of income during the six weeks prior to 17 August.

Final day to apply is 13 January 2022

[COVID-19 Resurgence Support Payment \(RSP\) \(ird.govt.nz\)](http://IRD.govt.nz)

Transition Payment

This is a one-off payment to acknowledge the restrictions businesses have faced due to the higher Alert Levels in Auckland, Waikato and Northland. You must have reduced income between 3 October and 9 November to be eligible. Applications will open in myIR on December 10.

[Traffic light transition payment and Resurgence Support Payment change \(ird.govt.nz\)](http://IRD.govt.nz)

Phone your manager for assistance



IRD Due dates in January 2022

GST and 2022 provisional tax P2 both due 15th January (but can pay by 17th January) and PAYE due 20th January



Lola 
the office dog



Disclaimer

This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.

Staffing at Blackburne Group

In the New Year we welcome back Nicola Braddock from Maternity Leave. Her little fella is 6 months old and a gorgeous wee boy..... Nicola will be returning to her client portfolio and be in the office daily between 9 to 3pm. I'll be great to have her back.