

June 2023 Newsletter



On the 24th May the Blackburne Group team held a morning tea fundraiser as part of the Pink Ribbon Breakfast breast cancer event. We raised \$220 towards the national tally of \$2,196,173 and still climbing!

Snip-its from Tony 's View—Tony Alexander Economist

Downward growth pressures

Cost of living spike—the average household cost of living has risen by 17% since the start of 2020 and about 6.7% in the past year. People are having to devote time and effort to trying to boost their incomes through wage negotiations, side gigs, and shifting jobs, while refocusing after-tax incomes on the essentials plus the things denied to us during the pandemic—travel and eating out.

Higher interest rates—the pace of interest rate rises has been very swift. About half fixed rate mortgages come up for renewal this year and people generally will roll from around 3.5% towards 6.5%.

Business margin compression— Many small and medium sized businesses face higher costs but an inability to pass those extra costs into their selling prices. They have to devote extra time to staff management, recruitment, training, and getting by without sufficient people. An outcome will be mental stress and reduced spending on aspirational purchases such as motor vehicles, lifestyle blocks, and holiday homes.

Another outcome is that businesses are cutting spending on plant and equipment in order to improve cash flows in the short-term. The traditional route to doing so of laying off staff is not easily available now because if staff are made redundant, they may prove impossible to replace when conditions improve.

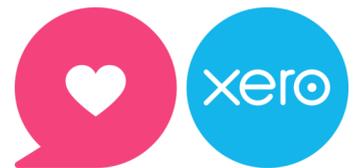


Do you run your business using xero accounting software?

Pay Bills , Send Invoices, Reporting, GST Returns, Bank Reconciliations?

Did you know that you can take a photo or email directly an invoice to your xero file and then attach the invoice to the payment made?

If you require any assistance with your xero file, we're here to help. If you aren't using Xero but would like to change from your current accounting software, contact your manager.



Tax relief for flood-hit North Island businesses

On 4 May 2023 the Hon David Parker gave a press release outlining further support for flood damaged North Island businesses. Affected businesses will not have to pay tax on insurance or compensation they might receive for their damaged buildings and plant and equipment. Legislation will be introduced soon allowing rollover relief of tax liability for businesses in these situations. The relief will apply to assets replaced within the next five years.

We'll keep an eye on further press releases as to when this legislation is passed.



Beware of cyber scams

Digital tools can help your business become more efficient, save time, and win new customers, but there are also dangers to watch out for. Cyber-attacks and con artists could target any small business in New Zealand.

Here are the latest risks:

Facebook danger

One sophisticated Facebook scam has ensnared 10 million users. Millions of people on the social network have been conned into handing over their account credentials.

The phishing scam, which is still active, pushes victims to a fake Facebook login page, where they are enticed to input their details. The scam began in September 2021 and remains active. Worried about phishing on social media? Here's Facebook's advice on how to protect yourself from harm:

Don't trust messages that:

- Demand money
- Offer gifts
- Threaten to delete or ban your Facebook account

Emails about your account always come from:

- fb.com
- facebook.com
- facebookmail.com

Don't click suspicious links:

- If you get a suspicious email or message claiming to be from Facebook, then don't click any links or attachments
- Don't respond to these emails

Don't answer messages that ask for your:

- Password
- Account numbers or important personal identifying information
- Credit card information

Advice for dealing with scams

- Not all messages will look the same, as scammers change their wording over time.
- Do not engage with or click any links before you know a message is genuine.
- To check if a message is genuine, check directly with the people it came from. Go to the organisation's website or check your online account directly, or phone them.
- Scam messages commonly contain bad or irregular spelling and grammar. Use this as your first sign that this could be a scam.
- Never provide any card or personal details if you do click a bad link
- If you have paid money already, speak to your bank as soon as possible and let them know what's happened and report scam to the police.
- It can be harder for people that don't frequently use their phone to recognise a scam, such as the elderly or vulnerable. Check in with your whanau to help them learn how to avoid falling victim to an SMS scam.

For further information see :-

Netsafe Helpline www.netsafe.org.nz

⇒ Call netsafe phone number toll-free on 0508 NETSAFE (0508 638 723)

⇒ Email help@netsafe.org.nz

⇒ Text 'Netsafe' to 4282

Credit Reports

You can contact one of NZ's credit reporting agencies to check your credit record to confirm if your identity has been used to obtain credit without your knowledge. For further information, please refer to:

Illion www.illion.co.nz

Equifax www.equifax.co.nz

Centrix www.centrix.co.nz

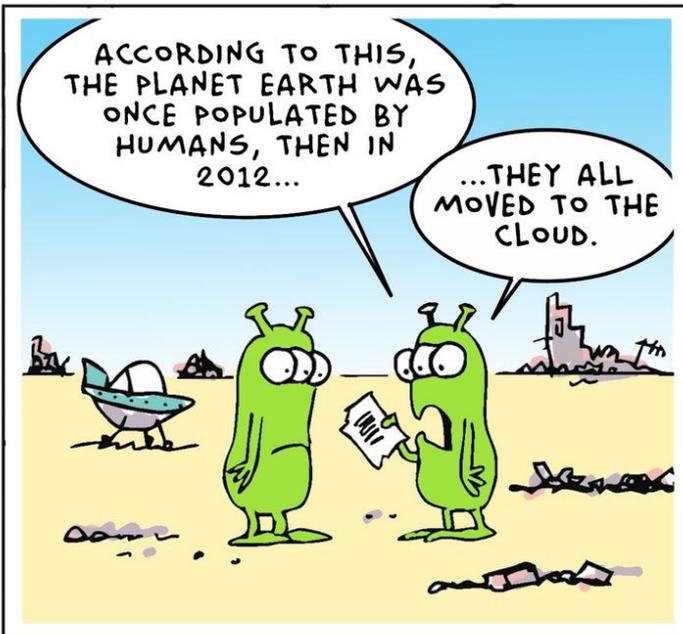


While Blackburne Group is not an insurance provider, we are keenly aware of the potential financial implications if clients do not have the right level of insurance cover in place. Sadly, most people will learn that they have a problem with their level of insurance cover when they go to make a claim and it's challenged.

Some key points to consider when looking at insurance for your business:

- Identify your risks
- Research different types of insurances
- Assess your coverage needs
- Understand terms and conditions of your options
- Regularly assess the market value of your assets

We're here to help if you have any questions.



We have noticed some client's ACC costs have pretty much doubled from last year. On checking one particular client group, the experience rating has swung from a 10% discount to a 30% loading.

Across the group that's a 75k increase in cost.

The catch with commonly owned companies is that ACC group them for experience rating. So, one bad egg spoils the lot.

Any ACC queries, contact Logan on extn 833



INLAND REVENUE UPDATES

7-day payment processing for banks

From 26 May 2023, banks started processing transactions 365 days of the year including weekends and public holidays.

IRD won't change their payment processing:

- * Due dates for payments will still move to the following business day if they fall on a weekend or public holiday.
- * IRD will pay Working for Families Tax Credits payments early when they fall on a public holiday.
- * IRD won't send funds to banks for processing on weekends or public holidays.

Payments to Inland Revenue will show with the effective date of the bank transfer. This date may be a weekend or public holiday if your bank processed the payment over that time.

Direct Debit authorities with Inland Revenue

If you have a direct debit (DD) set up via IRD myIR and is not used for 3 years (sitting idle), IRD's system will revoke that mandate and advise you by correspondence.

The DD will need to be set up again by you if you decide to actually start using that facility at a later date.

Diana is available for assistance with anything IRD related. Contact Diana on ext 811

Living wage set to rise nearly 10% from September

The living wage is increasing to \$26 per hour from 1 September 2023.

It is up \$2.35 or 9.9 percent on the current 2022/23 rate.

Increases in the cost of living are shown in the new Living Wage rate. But it also considers what families need to live and participate in society, including the cost of recreation and saving for emergencies.

This will see Living Wage Employees earning at least \$3.30 more than the current minimum wage.

More than 370 employers around the country are now Living Wage Movement accredited, which impacts more than 51,000 workers.



What lenders want to know about your business

While getting a business loan from a bank can be painful (with reams of red tape to wade through), it's not impossible. Here's what banks are looking for.



Motivation: Why are you in business, and what is your vision for the future? You should be able to explain this in a few short sentences.



Capability: What skills do you and your staff have? What technology and equipment do you use, and are there any gaps?



Financial position and forecasts: Are you in good financial health? What's the state of your balance sheet? You will need to answer these questions and provide forward-looking statements.



Personal spending: The bank will want to know information about your personal spending. Are you a risky splurger, or someone who runs a tight ship at home?

Contact your manager and they will assist with your costings and cashflow forecasting requirements.



Tax payment reminder emails **REMINDER**

If you have the standard balance date of 31st March, the next income tax payment is for the 2024 first provisional instalment (P1) due on the 28th of August 2023.

Around 3 weeks before the due date, Diana will email out the usual specific tax payment reminders as a letter attachment to an email which has all the details you need ie IRD number, tax type and tax year.

Then a few days before the due date, Diana will email a complimentary generic email as a friendly 'reminder nudge' that the due date is nearing. This one does not have any payment details or a list of the entity/s it refers to. You will need to check the earlier email/s from Diana for the specific information.

Please give Diana a quick call or email if you have misplaced the first email with the detailed information included.

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.

Get to know the Blackburne Group Team

Each newsletter we'll profile two team members.

And this time we introduce you to:

Emma Elmiger

Emma started out at Blackburne Group in 2011 as the face that greeted you all on reception, however she was keen to advance her career in numbers, which saw her make the move upstairs to join the accounting team.

In Emma's spare time she can be found getting walked by her dog Lola, enjoying the odd vino in the sun with friends or being shown how to live your best life by her fiercely independent 6 year old daughter.

You can contact Emma on extn 813

Diana Waldrom

Hi, my name is Diana

17 years ago, I started as an administration assistant licking stamps and filing loads of paperwork, largely from Inland Revenue.

Over the years I have added to my skillset and consolidated my niche role of tax administration of which Mark and Sonya have provided the space and encouragement.

I also take care of trust documents and a wee bit of payroll.

I'm your go-to girl if you need assistance or advice in dealing with IRD and instalment arrangements for tax arrears.

I love to decorate the office space as the occasion calls for, with Christmas being a favourite. Who can resist a string of fairy lights or a jauntily dressed nativity scene? Not me!!!

I love reading, and sewing for my granddaughters, especially costumes for themed birthday parties.

I enjoy the balance between the structure working in an accounting environment and the creative explosions that happen in the evenings and weekends.. I placed second in one of the categories in the 2019 Hospice Creative Catwalk Fundraiser – what a show!!!

You can contact Diana on extn 811



Emma Elmiger



Diana Waldrom