



## THE DEPTH OF WINTER!

August 2019

### DON'T GET SCAMMED!

Continued vigilance is paramount when receiving electronic communications.

The latest scam to get our attention, involved scammers copying business email headings and using these to pose as the business owners and send false bank account details to forest management companies. The correspondence sent to the forest management companies were very realistic and convincing and whilst no payment to the scammers eventuated, it could very easily have been a different story!

If you have any doubts about information received via electronic correspondence, we urge you to contact the sender directly to confirm the details are correct .

Caution is also needed when opening emails from unexpected or unknown sources. Check the following before opening:

- i) Review the email address—does it make sense? Is it the usual address for the organization, or is it different?
- ii) If in doubt, contact the sender directly and confirm with them that they have sent you an email.
- iii) Never open an attachment unless it comes from a source you trust.

In some cases, the simple opening of an email can affect (or infect) your computer.

REMEMBER: The best form of security on any electronic device is vigilance and caution by the people who use them.

## RECENT DECISIONS IMPOSED BY EMPLOYMENT RELATIONS AUTHORITY

### Unjustified Dismissal after 4 Days

The ERA has upheld a claim for unjustified dismissal of an employee who was employed for a total of four days. The employer tried to rely on a 90 day trial clause but the ERA held that the clause was not valid.

The employee started work on 12 March but was not given and did not sign an employment agreement incorporating the 90 day trial until 15 March. He was then dismissed on the following day. The ERA held that because he was an employee **BEFORE** he signed his employment agreement incorporating the trial provision, the trial provision was therefore invalid.

The employee was awarded \$10,500 lost wages and \$8,000 compensation for hurt and humiliation.

From 6 May 2019 only employers with less than 20 employees can rely on a 90 day trial provision. It pays to take advice before you act on any provision to ensure that it was valid before you rely on it.

This case highlights the need to have employees sign their Employment Agreement **BEFORE** they commence work with you.

### \$500,000 Cost of Failing to Enforce Existing Health and Safety Policies

The District Court has ordered a company to pay over \$500,000 in fines and reparations, after it was found that it had failed to enforce the necessary health and safety policies which were in place.

In 2017, an employee died in an incident where a dump truck he was operating rolled down a bank. The employee was not licensed to drive the heavy vehicle and he had never driven it on a public road before.

His supervisor knew that he was unlicensed, but took no action. The Court found that although the company did have the necessary health and safety policies in place, they were not communicated to the employees, or monitored/enforced by the employer.

All employers should ensure that the company's health and safety policies are not only in place, but are understood and followed by all employees.

## INTEREST RATES VERSUS AVAILABILITY

We are all getting used to a low interest rate environment and trends are suggesting heading even lower. Finance has been (generally) readily obtainable for a few years, and at low rates, so all good from a business perspective. However, things are changing.

There are distinct signs that funding is becoming less freely available as banks become more selective about whom they lend to. That is driven by a tightening in the amounts available to the banks as Reserve Bank rules around the amount of equity banks are required to hold to insulate them against financial shocks are tightened. This reduces the amount banks have available to lend, hence becoming more selective as to how that more limited funding is allocated.

There has been significant publicity about how these issues have, in particular, affected the ANZ but the same issues apply in varying degrees to all banks. Our experience has been that finance proposals that would previously have readily been accepted now have an increasing likelihood of being rejected or certainly being put through the wringer to gain approval.

The message here is that proposals need to be soundly based and low equity proposals will be particularly tested. It is also clear that some banks have different risk appetites, no doubt reflecting their equity position and compliance with Reserve Bank requirements, so deals which have been rejected by one bank may be acceptable to another i.e. while we do not advocate shopping around as a matter of course (a costly exercise) an initial rejection does not necessarily mean a proposal is unacceptable elsewhere.



## IRD INTEREST RATES

While on the topic of interest rates, IRD has recently announced impending changes to their Use of Money Interest (UOMI) rates.

Effective from 29 August 2019:

- an **increase** in the **paying rate of interest** on unpaid tax from 8.22% to 8.35% per annum; and
- a **decrease** in the **rate of interest received** on overpaid tax from 1.02% to 0.81% per annum.

## ACC Invoices for Employers

We encourage Employers to review ACC levy invoices recently received (issued from 9 July 19).

A useful tool to manage your ACC levy account is **MyACC for Business**.

**MyACC for Business** allows a user to:

- log in with RealMe, Google or Microsoft
- set up payment plans
- update user details
- view balances (i.e. amount/s owing)
- download current and past invoices
- view payment history
- view reports about work-related employee claims
- provide feedback to ACC.

## The devil is in the detail.....

When reviewing some finance documents recently, we came across a clause requiring that financial reports “..must be audited...” As it transpired, audited accounts were not required for the particular loan involved, but it is a timely reminder to **read the terms and conditions carefully**.

Anything that may appear to be inappropriate or unreasonable, is worth investigating. If you don't ask—you don't know.

We are available to assist if required.



### 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.*