

July 2025 Newsletter



Investment Boost

How to maximise the benefits of this new scheme

As part of May 2025 Budget, the Minister for Finance, Nicola Willis, introduced Investment Boost, a new way for Kiwi businesses to reduce the cost of investing in new assets and equipment.

What does Investment Boost offer?

Investment Boost is a new tax deduction that's available to all Kiwi businesses, whatever the size of your business or your business type. From 22 May 2025, you can claim 20% of the cost of new assets as an expense, then claim depreciation as usual on the remaining 80%.

What can you claim?

To claim Investment Boost, the asset you purchase must be:

- New or new to New Zealand
- Available for the business to use on or after 22 May 2025, and
- Depreciable for tax purposes.

You can also claim for:

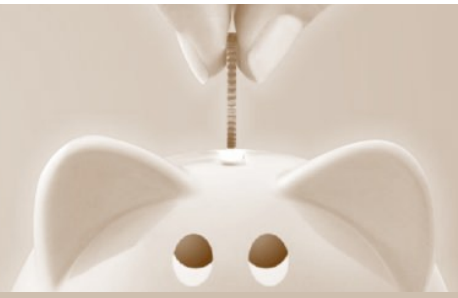
- new commercial and industrial buildings
- improvements to depreciable property (but not residential buildings)
- primary sector land improvements
- assets arising from petroleum development expenditure and mineral mining development
- expenditure incurred on or after 22 May 2025 (except rights, permits or privileges)

You cannot claim for:

- second-hand assets that are sourced from New Zealand
- residential rental buildings
- most fixed-life intangible assets (such as patents)

If you're looking to invest in new assets and equipment, Investment Boost has come along at exactly the right time. Phone your manager and talk about maximising this tax incentive.





Effective from July 1, 2025:

Government Contributions: The government contribution will decrease from 50 cents to 25 cents for each dollar contributed, reducing the maximum annual contribution from \$521.43 to \$260.72

Eligibility for Government Contributions: Individuals earning over \$180,000 annually will no longer qualify for government contributions

16-17 Year Olds: Those aged 16 and 17 will now qualify for government contributions, provided they meet other eligibility requirements .

Effective from April 1, 2026:

Default Contribution Rates: The default employer and employee contribution rates will increase from 3% to 3.5%

Temporary Rate Reduction: Members can apply for a temporary rate reduction to maintain the current 3% contribution rate for a period of 3 to 12 months

Employer Contributions for 16-17 Year Olds: Employers will be required to make contributions for employees aged 16 and 17

Effective from April 1, 2028:

Further Increase in Contribution Rates: The default employer and employee contribution rates will rise again to 4%

These changes aim to encourage savings for retirement and first home purchases while ensuring the sustainability of the KiwiSaver scheme.

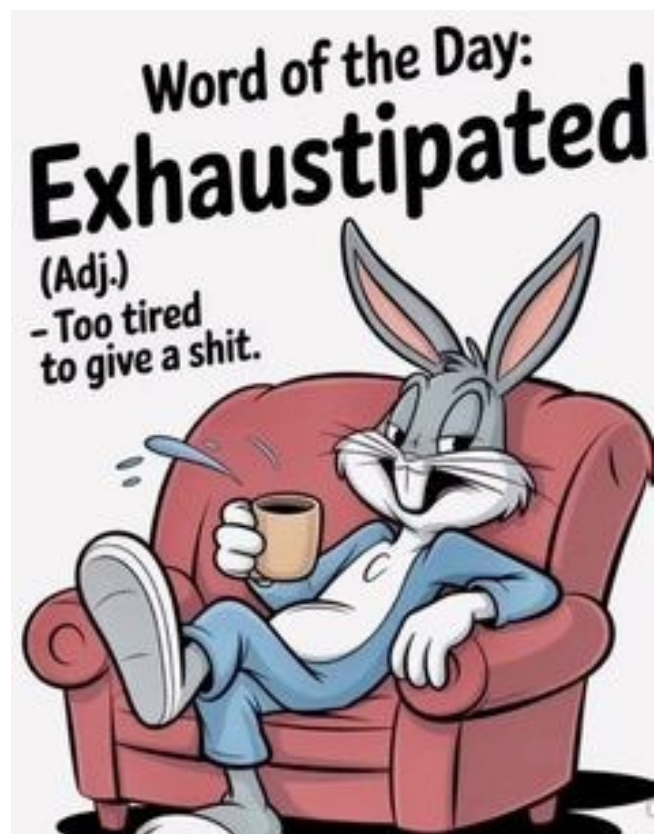
If you have any specific questions or need more details, feel free to ask!



Diana Waldrom (aka our Tax Administrator)

Things to watch out for if you have more than one debt arrangement with IRD. You cannot use the option of "PAY TAX" in your online banking. You will need to set up IRD's bank account number as a payee and make payments that way. With this option, you are then able to complete the *particulars* and *code* fields, leaving the Reference field blank. This will ensure that your payments will be applied to the correct arrangements.

If your unsure of how to set a repayment arrangement up, please contact Diana and she can guide you through the process.



End of Financial Year Celebrations for the team

PAYROLL updates from Katya

A reminder that since 30 March 2025, employers must keep and have easy access to a copy of employee's employment agreements. If an employee asks for a copy of their agreement, the employer must produce or provide it within 7 working days. Legally, personnel files must be kept for at least 6 years and pay records for 7 years.

The adult minimum wage is \$23.50 per hour, with the Training and starting-out wage rate being \$18.80 per hour.

If you have any payroll queries, give Katya a call on ext 816



Small Business Cashflow (SBC) Loan Scheme

For most borrowers, the 5-year loan term of their SBC contract ended in June 2025. Avoid unnecessary default interest and think about repaying your loan now.

If your SBC loan is unpaid 20 working days after the final repayment date, the loan will default and IRD may:

- Demand full payment
- Add default interest of 13.88% to the outstanding loan balance
- Take legal action

If you are in default, contact IRD urgently to set up a repayment plan to avoid any of the above actions by IRD. If you need any help doing this, Diana is happy to assist. Her contact is ext 811.



www.ird.govt.nz

Proposed changes to NZ Forestry

On 2nd June 2025 Todd McClay the Minister of Forestry announced that the Government is taking firm action to ensure commercial forestry - one of NZs most productive and sustainable export sectors is not stifled by red tape and inconsistent council rules.

The proposed changes to the National Environmental Standards for Commercial Forestry (NES-CF) are:

- **Clarifying Council Powers:** Tightening conditions under which councils can impose stricter rules than national standards.
- **Removing Broad Discretion:** Eliminating councils' ability to override national standards for afforestation without justification.
- **Strengthening Slash Management:** by requiring a *Slash Mobilisation Risk Assessment* as part of all harvest management plans, and considering refining requirements to remove all slash above a certain size from forest cutovers.
- **Minor Amendments:** Removing duplications and improving clarity for foresters and councils alike.

Public Consultation

The public consultation on these changes is open until **July 27, 2025**. Feedback from stakeholders and the public is encouraged to ensure the amendments effectively support the forestry sector while managing environmental risks.

For more details and to participate, visit the Ministry for the Environment's website -Public Consultation



Changes to Xero Plan Pricing from 1 September 2025

Xero have advised there are pricing increases if you are on Grow, Comprehensive and Ultimate plans effective from 1 September. If you pay your xero sub via a Direct Debit (DD) our admin team will contact you during August to advise of the increase to your DD. We'll continue to pass on the 20% discount to you.





Help us to help you!

Thank you to everyone who promptly submits all requested documents for your annuals and tax. Your cooperation keeps the process smooth and efficient.

For those who haven't provided all the necessary information or are slow to respond to queries, please note that delays can increase the time and cost of your job. Quick responses help us to complete your work efficiently, and on time.

Thank you for your understanding and support.

Audit Shield Insurance

Each year we ask if you want to join or renew audit shield insurance? Why do we ask you this? And why do you need this insurance?

Audit Shield is a tax audit insurance product designed specifically for accounting firms in NZ. It covers the professional fees incurred when responding to audits, enquiries, investigations, or reviews initiated by the IRD.

Key Features:

Coverage: Includes various tax and legislative compliance processes such as Income Tax, GST, PAYE, FBT, and more.

Benefits: Helps avoid disputes over fees, ensures prompt payment to us, and provides a proactive solution for you.

No Excess: You do not have to pay an excess fee.

Audit Shield aims to provide peace of mind by mitigating the financial risks associated with government-initiated audits.

Audit Shield premiums are typically paid annually and are tax-deductible for businesses.

The cost varies depending on the size and complexity of the business, as well as the level of coverage required.

If you have any more questions or need further details, feel free to ask!

Contact Dru on Ext 809



Get to know the Blackburne Group Team

Maninder Kaur (Mani)

Is the newest member of Blackburne Group joining the team at the start of this year. Mani is an accountant, where she is responsible for preparing annual financial statements, GST returns, and management reports. Originally from North India, she holds a Bachelor of Commerce degree and relocated to New Zealand in 2015 to pursue a Level 8 Postgraduate Diploma in Business Enterprise. Mani is working towards becoming a Chartered Accountant. She lives with her husband and three children and enjoys spending time outdoors with her family.

You can contact Mani on ext 810

Paula Amrein

Paula has been involved in the accounting industry for around 35 years. Her role is that of client manager and is responsible for GST preparation and reporting, annual accounts and tax planning. Paula's a local girl being born and based in the Taupo area. She and her husband run an exterior plastering business so Paula knows the joys of the day-to-day running of a business.

You can contact Paula on ext 830



Mani Kaur



Paula Amrein

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.