

Whaley Harris Durney
CHARTERED ACCOUNTANTS

ACCELERATE

OUR NEWSLETTER FOR GROWING BUSINESSES



IN THIS ISSUE:

As we step into a new financial year, we're mindful that not everyone has had a smooth start to 2026. Extreme weather has created uncertainty for parts of the country and reminded many businesses just how quickly conditions can change. The global situation has intensified that.

While we can't control everything that happens around us, we can make sure we're prepared for shifts when they come. That starts with a clear understanding of your finances, staying on top of compliance, and planning ahead rather than reacting under pressure.

In this issue, we cover three key employment and tax changes you need to know (and two to keep an eye on), how to get more value from your accountant, and the signs that business confidence in New Zealand is steadily improving.

Three key changes for employers in 2026 **P2**

Things to watch **P2**

Is it time to look at your business with fresh eyes? **P3**

The promising signs that New Zealand's business confidence is coming back **P4**

Tax Calendar April 2026 **P4**

CONTACT OUR TEAM

Contact us on general line 09 520 4932, or DDIs below.

Richard Durney - DDI 09 869 6660

Michael Young - DDI 09 869 6667

Umendra Naidu - DDI 09 869 6662

Liam Durney & Nevaeh Durney

Website www.whaleyharrisdurney.co.nz



Three key changes for employers in 2026

A few recent and upcoming changes may impact your payroll, pricing, and employer obligations. A quick check now sets you up for a smoother year ahead.

1. Minimum wage is increasing

From **1 April 2026**, the **adult minimum wage** rises to **\$23.95/hr** (from \$23.50). **Starting-out** and **training wages** increase to **\$19.16/hr** (from \$18.80).

Make sure your payroll and employment agreements reflect the new rates. Higher wages can affect your margins, so now's a good time to reassess your pricing structure. Speak to your accountant if you need help understanding what these changes mean for your bottom line.

2. KiwiSaver contribution rates go up

Also starting **1 April 2026**, the default KiwiSaver contribution rate increases from **3% to 3.5%** for both employees and employers. Note employees are able to apply for temporary rate reductions to continue contributing at the 3% rate, in which case employers may also opt to match this employer contribution rate. Employer contributions will also now apply to KiwiSaver members aged 16 and 17. This is part of a phased retirement-savings policy change, with a further rise to 4% planned for 2028.

Review your payroll processes to make sure your contributions are applied correctly.

3. Fringe Benefit Tax updates continue

Updated FBT thresholds and rate structures came into effect on 1 April 2025, with further refinements expected to be rolled out in 2026. Concessions such as equalisation of FBT and PAYE on unclassified benefits give you more flexibility in how FBT is calculated and means the tax rate applied better reflects what your employees earn.

Inland Revenue has also clarified how certain employee gift cards are taxed. Open-loop cards (such as prepaid cards that can be used almost anywhere) are generally treated like cash and taxed under PAYE, while retailer-specific cards usually still fall under FBT. If you provide vouchers or gift cards as staff rewards, it's worth checking they're being taxed under the right rules.



Things to watch

Keep an eye out for these two changes on the horizon.

Shareholder loans

If you regularly draw funds from your company through a shareholder loan, this is one to watch. While not yet law, Inland Revenue has recently consulted on proposals to treat new shareholder loans as taxable dividends if they are not repaid within a set timeframe.

Surcharge ban

The Retail Payment System Amendment Bill has passed its first reading and is expected to take effect by May 2026. If enacted, it will ban most in-store surcharges on EFTPOS, Visa, and Mastercard transactions.

We'll keep you updated as details are finalised.



Is it time to look at your business with fresh eyes?

Tax returns and year-end accounts are essential, but the real value lies in treating your accountant as an advisor: someone who helps shape where your business is heading, not just where it's been.

A proactive conversation early in the year can help you:

- **Plan for tax rather than react to it**

Provisional tax shouldn't come as a surprise. We can model expected profit, test different scenarios, and give you a clear estimate of what you're likely to owe well before payment dates hit.

- **Understand your break-even point and profit margins**

Do you know exactly how much revenue you need each month to cover fixed costs? We can calculate your break-even point and identify which products or services are truly driving profit (and which may be quietly eroding it).

- **Forecast cashflow and stress-test growth plans**

Mapping your cash inflows and outflows each month gives you clarity when you ask questions like: What happens if sales slow for a quarter? If a key client pays late? If costs creep up again? It's far easier to make small course corrections early than face a cash squeeze later.

- **Check whether pricing still reflects your cost base**

Between minimum wage increases and supplier cost rises, margins can tighten without you noticing. A quick pricing review can protect profitability before pressure builds.

- **Think about how you pay yourself**

Your business income and personal finances are closely connected. Being deliberate about how you take money out of the business can help prevent tax surprises and keep cashflow steady throughout the year.

- **Strengthen conversations with your bank or lenders**

Clear forecasts and well-prepared financial summaries from your accountant demonstrate viability and repayment capacity. That preparation often changes the tone of lending conversations entirely.

If you'd like 2026 to feel more strategic than stressful, now is a good time to schedule a conversation.

The promising signs that New Zealand's business confidence is coming back

After several challenging years, there are promising signs that New Zealand's business sector is shifting out of survival mode and into a more confident, growth mindset, albeit tempered by the current global uncertainty.

The confidence trajectory

The disruption began with COVID-19. While stimulus measures and pent-up demand drove a short-term rebound, the years that followed brought a different kind of pressure. Inflation surged. Interest rates rose rapidly. Wages and supplier costs climbed. For many SMEs, revenue struggled to keep pace with expenses.

In 2023 and much of 2024, there was a fairly subdued mood among Kiwi businesses. But last year, that tone began to change.

Signs of a shift

Through late 2025 and into early 2026, business surveys and sector data began to reveal a lift in both sentiment and activity:

• Business optimism is up.

In the NZIER Quarterly Survey of Business Opinion, [a net 39% of firms expected better general economic conditions](#), a sharp rise from earlier in 2025 and the highest reading in over a decade.

And while the [ANZ Business Outlook survey showed that business confidence has eased from its 30-year high in December 2025](#), it remains strong.

• Investment is returning.

MYOB research reported that [more than one in three New Zealand SMEs plan to invest](#) in growth initiatives in 2026, including training, diversification, and new technology.

Early-stage investment activity has also improved, signalling renewed appetite for longer-term growth opportunities.

• More businesses are looking to hire.

The NZIER Quarterly Survey of Business Opinion reported a [net five percent of firms had increased staff in the December quarter, and a net 22% are planning to hire in the coming quarter](#).

Taken together, these signals suggest many SMEs are beginning to move from defensive cost control toward cautious growth. But unlike the credit-fuelled expansion of the mid-2000s and the stimulus-driven rebound of the early 2020s, this recovery feels more disciplined with investment decisions grounded in margin awareness and realistic forecasting.

If growth is on your mind, your accountant is here to help you plan it wisely.

Tax Calendar – April 2026

| DATE | CATEGORY | DESCRIPTION |
|----------|-----------------------------|---|
| 7 April | PAYE | Large employers' payment due for deductions made 16 to 31 March. File employment information within two working days after payday. |
| 7 April | FBT | Income year FBT filers' return and payment due |
| 7 April | Terminal tax | Terminal tax due for the 2025 income year. |
| 20 April | RWT | RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during March. |
| 20 April | NRWT / Approved Issuer Levy | Payment and return due. |
| 20 April | PAYE | Large employers payments due for deductions made 1st – 15th April. Small employers payments for deductions made in March. File employment information within two working days after payday. |

Note: The terminal tax due date applies to March balance date taxpayers who are on our agency list. Different dates will apply for those clients who have different balance dates. The income year FBT due date refers to clients on our agency list.

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