

SPRING 2026

SNIPPETS

TAX UPDATE FOR COMPANIES REMOVED FROM THE COMPANIES REGISTER

Is your Company looking to be removed from the Companies Office Register? Be aware that the most recent Budget edits affect company shareholders, directors and associated persons with outstanding loan balances where a company is removed from the Companies Office Register. If the loan is still owing six months after a company is removed from the Register, the amount owing will become taxable income for the shareholder or director (or associated person).

If you are considering restructuring your business affairs or changing your trading entity, be sure to speak with us about the tax implications.

DIVERSITY IS GOOD FOR BUSINESS – HERE'S HOW TO MAKE IT WORK

Diversity discussions often centre around fairness and inclusiveness, but a lesser-known fact is that it is also excellent for your business bottom line. Different people approach problems from fresh angles; spot opportunities groupthink. The goal should not be diversity for diversity's sake: but to find better solutions by bringing a variety of perspectives together.

You don't need to become an expert in personalities, generations or neurodiversity to lead a diverse team well. Often, it is as simple as staying curious about your people and being willing to make small adjustments. That way you can build a workplace that attracts and retains good people.

MAKING THE MOST OF THE 90-DAY WORK TRIAL

Hiring the wrong person for your business can be expensive, which was one of the arguments for re-introducing 90-day work trial periods in December 2023. The key is not to view the trial period as a safety net nor as something not worth the paper it is written on, but as an opportunity for both you and your new employee to make sure the role is the right fit.

A trial period is not a substitute for good recruitment so take the time to check references, verify qualifications and ask the right questions during the interview process.

The trial period works both ways. Do not lose sight of the reality that the first 90 calendar days in your employment are also an opportunity for your employee to decide whether your business, team and culture are right for them.

In order to set people up for success, be clear about expectations, provide training and support with regular conversations to assist you to understand how a new employee is settling into their role while giving them the chance to provide feedback and ask questions.

Address issues early. Don't wait until week twelve to raise concerns. Make sure your employee understands what success looks like in their role and, if something is not working, be clear about the improvements you expect to see.



Used well, a 90-day trial period can help you feel more confident in your hiring decisions and reduce the cost of getting them wrong.

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Proposed Changes to the Holidays Act

The Employment Leave Act 2026 received Royal Assent on 6 August 2026 and will come into force on **6 August 2028** giving employers, employees and payroll providers a two year runway to prepare for what is the most significant overhaul of New Zealand's leave framework since 2003.

All Leave Entitlements under the New Act move to Hours-Based Accrual:

The most fundamental shift is a move away from calculating leave in weeks and days, to counting leave in hours. The new Act introduces three categories of hours - standard, additional and casual - which will determine how leave is earned and paid for each employee, depending on how regularly and consistently they work.

Leave entitlements will accrue from day one of employment. This includes annual leave, sick leave, alternative holiday leave, bereavement leave and family violence leave, each of which gains updated rules under the new framework.

Fixed allowances (allowances that an employer must pay under an employee's employment agreement that do not vary in value) will continue to be paid in full to the employee while on leave.

Other components of pay such as bonuses, commissions and variable allowances (such as for ad hoc variable special duties) will not be included in the hourly leave pay rate.

Public Holidays - the "Otherwise Working Day" test:

Clearer rules for determining public holiday entitlement will come into effect with a new "otherwise working day" test and alternative leave entitlements for working a public holiday (which would otherwise have been a paid holiday for the employee) will now accrue hour-for-hour, rather than a full day.

Payslips, Records and Closedowns:

Employers will face new record-keeping obligations, including pay statements that clearly itemise pay and leave and employer contribution information for every pay period in which an employee works or takes paid leave. Information related to family violence leave must not be included in a pay statement. Additional requirements will apply to record-keeping for working hours, rosters, leave and public holiday calculations.

Employers will be limited to one closedown period per calendar year and must give affected employees at least 21 days' written notice before it begins.

Specific Changes:

Annual Leave Cash Up

Employees can request to cash up 25% of their annual leave entitlement every 12 months timed to their anniversary. Employees with more than 4 weeks' leave can cash out a bigger chunk in absolute terms.

Bereavement Leave

Stays as a fixed number of days but becomes accessible from day one of employment.

Casual Employees (ie "Pay As You Go")

The leave loading rate rises from the current 8% to 12.5% to cover all leave types. In exchange, casuals lose eligibility tor paid sick leave and bereavement leave.

Additional Hours

Permanent employees who regularly work above their contracted hours get a 12.5% loading on those extra hours. This is most likely to matter for businesses running rosters with minimum guaranteed hours where staff routinely work over time.

Parental Leave

Annual leave taken after parental leave will be paid the same as leave taken at any other time - the previous "override" rules that reduced payment amounts are removed. Workers will continue to accrue leave during parental leave.

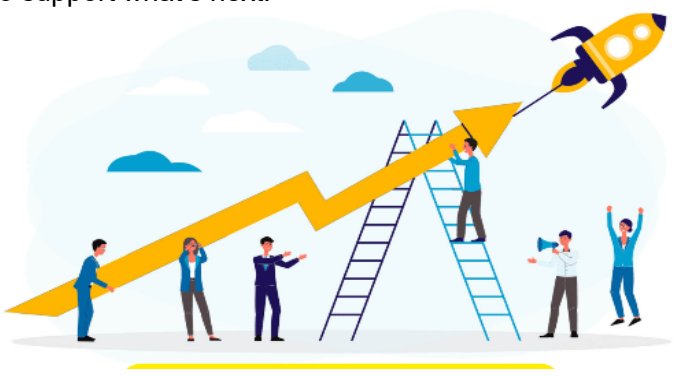
What Employers Should Do Now:

Payroll providers now have a fixed legislative specification to build against - meaning most businesses will be waiting on software vendors to update their systems. Even so, HR and payroll teams should begin reviewing current leave calculation methods, particularly for casual and variable-hours workers to ensure a smooth transition when the new hours-based system takes effect on 6 August 2028.

Think You're Ready To Grow?

Ask Yourself These Four Questions First

Business growth is exciting and, with the right planning, it can be a turning point for your enterprise. However, whether you are taking on more clients, expanding your services or launching into a new market, it is important to first make sure your financial foundations are solid enough to support what's next.



Here are four key questions to ask yourself before scaling up:

Do you have enough cashflow for the next stage?

Growth often means spending before you earn. You might need to stock up on supplies, hire more staff or invest in new technology. Consider if you have working capital to manage that gap. If not, it could be time to explore funding options, stagger your expansion or adjust your timeline.

Are your systems and processes built to scale?

Can your current invoicing, inventory and reporting systems handle increased demand? Review your software, automate what you can and build in capacity

now, so your systems won't buckle under the pressure of a larger operation.

Is your pricing model sustainable as you grow?
Bigger business brings more overheads and greater complexity. Are your current margins wide enough to cover these costs? Now is the time to adjust your pricing so it reflects the extra time, effort and resources needed to deliver at scale without eating into your profits.

Are there any tax or compliance implications?
Business growth can push businesses into new tax brackets, GST thresholds, payroll obligations or even overseas tax obligations, if you are dealing with overseas customers or doing business overseas. Make sure you stay compliant. The last thing you want is a surprise tax bill just as your momentum is building.

Crypto ATMs in New Zealand

Cryptocurrencies are a decentralised form of digital currency that can be used for transactions between individuals but are more commonly held as an investment asset. It is even possible to invest in cryptocurrency via Kiwisaver through Koura's Bitcoin fund.

You may not be aware Crypto ATMs (some 200) are in operation nationwide in New Zealand. The drawbacks with regard to these ATMs are substantial. They are one of the most expensive ways to buy crypto available to Kiwis in New Zealand.

The physical kiosk that is a crypto ATM lets you buy or sell cryptocurrency using cash at whatever rate the operator has set - which is almost significantly worse than buying through an exchange or retailer online. You insert NZ dollars, scan your wallet QR code and the Bitcoin or another asset gets sent to your wallet.

A Crypto ATM charges up to 19% per transaction. On a $1,000 purchase that difference is $165-$185 out of your pocket compared to buying online. On larger amounts it becomes genuinely significant. These fees are high because ATM operators absorb substantial costs - physical installation, cash handling, insurance, retail rent, AML compliance and operator margins - all of which get passed directly to you.

Increasingly they have also come to represent one of New Zealand's trickiest anti-money laundering challenges as Australia's financial intelligence agency recently found that heavy crypto ATM users are frequently linked to scam proceeds or money-mule activity. In New Zealand the Banking Ombudsman has confirmed that tens of thousands of dollars have already been lost through crypto ATM scams.

Crypto ATMs are the preferred tool of scammers operating outside of New Zealand. The most common pattern is that a victim receives a call from someone posing as a bank, government agency, Inland Revenue, police or tech support.

They are told their account has been compromised, they owe a fine or their funds need to be removed urgently. They are instructed to withdraw cash and deposit it into a crypto ATM to "secure" or "transfer" their funds.

The moment that cash goes in the ATM it is gone into a virtual asset impossible to trace. Permanently. There is no means of reversal.

Meanwhile supporters of Cryptocurrency argue that the ATMs provide a way for cash-reliant New Zealanders to access cryptocurrencies and other digital payment technologies including stablecoins such as NZDD, which New Zealand Financial Markets Authority recently recognised as a payment tool.



These competing arguments have prompted the Government to consider banning crypto ATMs altogether. However, it has opted for targeted regulation, arguing the risks can be managed without removing legitimate access.

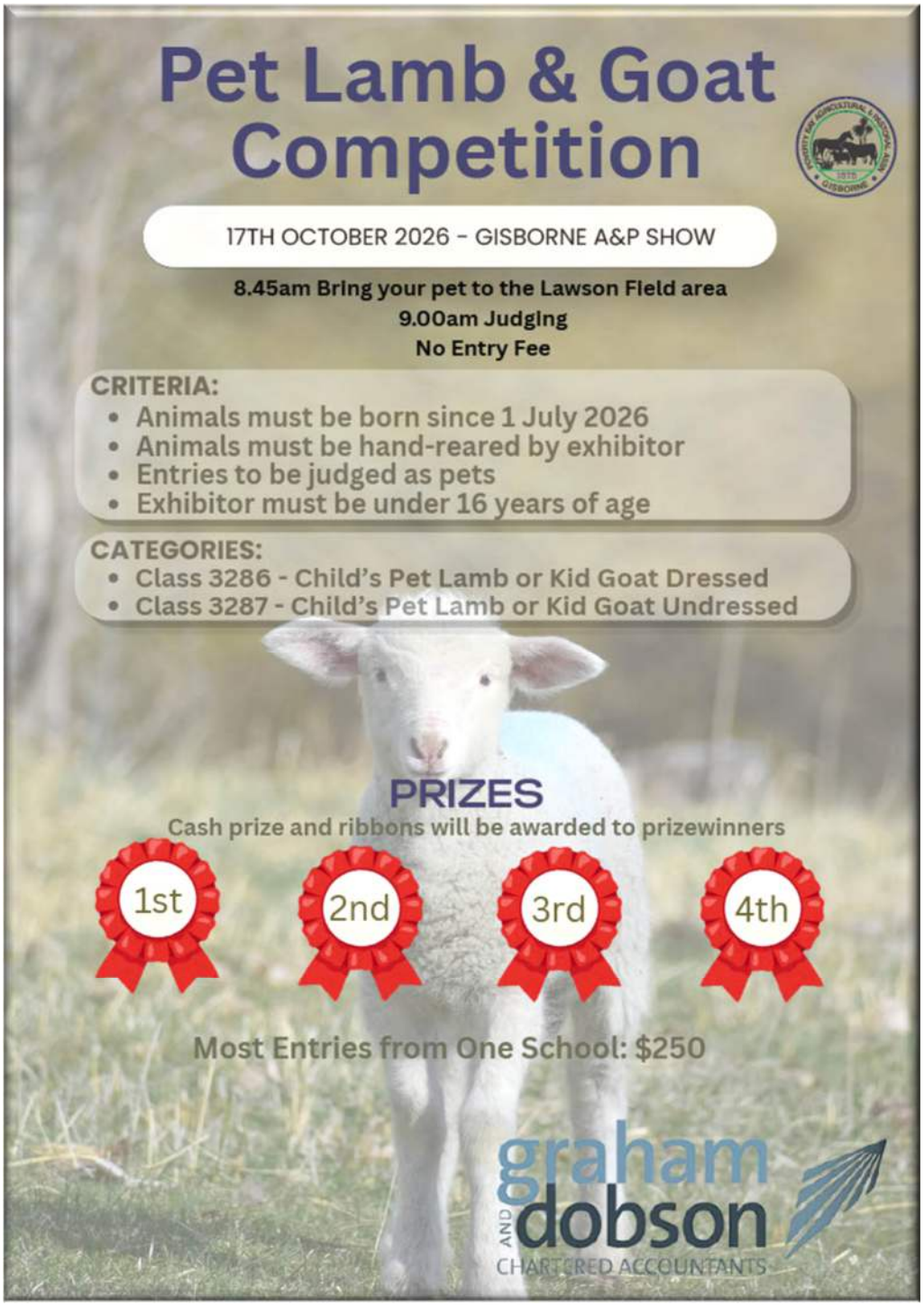
These may include transaction limits and, if evidence of harm continues to emerge, restrictions or even a future ban on cash purchases of high-risk assets. Tiered transaction limits would mean small purchases could remain largely unconstrained with larger sum transactions triggering additional checks. A final Cabinet decision in August 2026 was expected as part of an overhaul of the AML/CFT Act, siting money laundering risks. However, currently crypto ATMs remain legal and operational in New Zealand.

Company Directors Banned

A number of company directors have this year been banned from managing or promoting companies for periods ranging from five years to a decade after the Companies Office were satisfied their mismanagement actions contributed to business failures. These prohibitions were imposed by the Registrar of Companies during the last six months under Section 385 of the Companies Act 1985.

One such company director has been prohibited from managing a company for six years, having been handed the ban for governance and financial mismanagement shortcomings, as well as creditor losses. The company, of which he was the sole director, went into liquidation in 2024 with investigations later uncovering serious concerns involving extensive miscoding and an estimated $362,000 of personal and related party expenditure recorded through the company.

Section 385 of the Companies Act is a protective, forward-looking provision that allows the Registrar to prohibit a person from being a director or participating in the management of companies where they were involved in running an entity that failed and where their management contributed to that failure. It helps protect the public and creditors, reinforces appropriate standards of company management and support confidence in New Zealand company regime.


Pet Lamb & Goat Competition
17TH OCTOBER 2026 – GISBORNE A&P SHOW
8.45am Bring your pet to the Lawson Field area
9.00am Judging
No Entry Fee
CRITERIA:
• Animals must be born since 1 July 2026
• Animals must be hand-reared by exhibitor
• Entries to be judged as pets
• Exhibitor must be under 16 years of age
CATEGORIES:
• Class 3286 - Child's Pet Lamb or Kid Goat Dressed
• Class 3287 - Child's Pet Lamb or Kid Goat Undressed
PRIZES
Cash prize and ribbons will be awarded to prizewinners
1st
2nd
3rd
4th
Most Entries from One School: $250
graham and dobson
CHARTERED ACCOUNTANTS


POVERTY BAY
A&P
Spring Show
OCTOBER
16th-17th 2026