



Farmers: you're a hardy bunch — up before dawn, long days, and working outdoors in all conditions. But that doesn't mean staying on top of everything is easy, especially when financial pressures, compliance changes, and safety risks pile on at the busiest time of year.

In this issue, we share practical tips to manage farm debt, spotlight farming innovations shaping agriculture in New Zealand, and offer straightforward advice to keep you and your team safe and well. No matter the season, we're here to help you stay strong, supported, and financially prepared.

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Farm finance: What to know before (and after) you borrow

While interest rates may be easing elsewhere, rural lending in New Zealand is a different story. Because of regulatory requirements, agricultural loans often come with tighter conditions and higher interest rates — some reports suggest up to 1.7% more.

Lenders also place more emphasis on climate resilience, compliance, and seasonal volatility, while larger farms face increased scrutiny around governance and long-term planning.

BEFORE YOU APPLY...

Make sure you're putting your best foot forward before approaching your bank with:

- Up-to-date annual accounts
- Clear cash flow forecasts
- Current stock and asset schedules
- A business plan that outlines risks and opportunities (especially for larger investments).

SECURED THE LOAN?

Time to make sure your debt is working for you, not against you. Here's how:

Stay on top of your financials. Up-to-date records make it easier to spot pressure points and plan.

Review your debt structure. Are you on the right mix of fixed and floating rates? Could refinancing free up cash or ease pressure?

Don't wait for problems to arise. Talk to your bank early if you foresee a cash flow concern.

Need help reviewing your strategy or planning your next step? We're just a call away.

Farming for the future: How to stay resilient in a changeable world

From extreme weather to shifting global demand, farmers are facing more uncertainty than ever. The future of farming depends on your ability to adapt, both in the paddock and your business.

Here are four challenges shaping the sector right now — and what you can do to stay ahead.

1. Climate resilience is real

Feeling the impact of droughts, floods, or shifting seasons? It might be time to trial drought-tolerant pastures, upgrade irrigation, or explore regenerative farming practices.

2. Sustainability is good business

It's more than compliance! Tools like emissions calculators, low-emission fertilisers, and riparian planting can reduce your footprint and support long-term profitability.

3. Market uncertainty is on the rise

In a world where supply chain pressures and shifting trade conditions make demand harder to predict, flexibility, through diversification, planning, and forecasting, is key to staying on solid ground.

4. Smart tech helps you stay nimble

From [FarmIQ](#)'s performance tracking to drone mapping to precision sensors, digital tools can help you make good decisions, cut waste, and save time.

A GLIMPSE INTO FARMING'S FUTURE

Lincoln University's [Circular Farm](#) — multi-crop, renewably powered, and low-emissions — is showing us what's possible!

NEED HELP PLANNING FOR CHANGE?

Get in touch — your accountant is here to help you make sense of the uncertainty.

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.

Manage the risks you can't see with our workplace psychosocial checklist

Workplace safety is about more than hard hats and safety rails. Under New Zealand's Health and Safety at Work Act 2015, employers must manage psychosocial risks at work — not just physical ones.

The trouble is, these risks can be harder to spot than physical dangers. Here's a simple checklist to bring hidden hazards to light:

- ☐ **Clarity:** Would a new hire understand what's expected of them in their first week? If not, review job descriptions and inductions to make sure roles are clear from day one.
- ☐ **Workload check:** Are schedules and deadlines realistic? Look out for red flags, like staff regularly working late or frequently swapping schedules.
- ☐ **Feedback:** How do employees raise concerns around company culture, bullying, or lack of support? From one-on-one check-ins to team discussions to anonymous surveys, multiple channels help issues surface early.
- ☐ **Recognition:** Do you let your people know their efforts matter? Celebrating milestones and acknowledging good work in real time builds morale and reduces the risk of burnout.



Supporting psychosocial health is a big responsibility. Not sure where to start? Get in touch, and we'll connect you with trusted resources and professionals who can help.

Sole traders: Who's in your business village?

Just because you're solo doesn't mean you have to go it alone. Every successful business has a village behind it. Is it time to build yours?

- **Mentors and peers:** Draw on the experience of others who've faced similar challenges to the ones you're tackling now. [Business Mentors NZ](#), for instance, has supported more than 80,000 business owners.
- **Business support groups:** Local meetups help you swap ideas, get advice, and find encouragement. [Regional Business Partner Network](#), [BNI \(Business Network International\)](#), and your local [Chamber of Commerce](#) are a great start.
- **Professional advisors:** An accountant, lawyer, or HR consultant can guide smart decisions and highlight risks you might miss.
- **Trusted contractors:** Outsourcing tasks to the right professionals helps you stay focused on your core business.

As your accountant, we're already part of your village. Get in touch if you'd like help with finances, record-keeping, or tax planning.



Tax Bill changes proposed

Key reforms for employers, employees, and investors

The Taxation (Annual Rates for 2025–26, Compliance Simplification, and Remedial Measures) Bill includes the following proposed changes to the tax law:

Employee share schemes

Some employers, particularly when starting in business, like to compensate their employees with some shares in the company mainly because they can't afford to pay market wages and this is a way to compete for good employees.

Obviously, if you issue shares in lieu of wages, it is income and taxable but usually neither the employer nor the employee can afford to pay the tax.

As from 1 April 2026 the date for paying the tax is going to be deferred until there is a "liquidity event". This means something happens which should provide the cash needed. There are three liquidity events:

- the company shares get listed on the stock exchange
- there is a sale or cancellation of the shares
- a dividend is paid.

These schemes are available for private unlisted companies. The employer must notify Inland Revenue and the employee of the election at the time the shares are issued.

Exempt employee share scheme

Employers are allowed to issue their employees with shares, without incurring tax. The scheme is already in existence but the current Bill before Parliament proposes increasing these thresholds as follows:

- the maximum value of the shares is \$7500 per year
- the maximum discount an employer can provide on the market value of those shares is now \$3000.

Cash basis person

Investors will be aware at a certain threshold they have to account for income from "financial arrangements" on an accrual basis. This means you have to bring into account money earned at balance date but not yet received for interest-bearing investments, as opposed to investment in equities (shares, unit trusts).

There are three of these thresholds. Most people get caught by either the "absolute value" threshold for the total amount of your financial arrangements (investments plus money owing by you) or the total

interest threshold (Interest income plus expenditure on interest) on those financial arrangements. The figure for the total of financial arrangements used to be \$1 million but is being increased to \$2 million. The interest threshold has gone up from \$100,000 to \$200,000.

There is a third threshold. Called the deferral threshold. Here is the calculation:

$$(\text{Accrual Income} - \text{Cash Basis Income}) + (\text{Cash Basis Expenditure} - \text{Accrual Expenditure}).$$

This threshold is to be increased from \$40,000 to \$70,000.

Gift cards – open loop

Under the current law the correct way to account for tax on "open loop" gift cards is to treat them as a bonus and tax them as wages. An open loop card is one which can be widely used for purchases such as a Visa card. Many employers were treating the cost of these cards as fringe benefits. For bigger organisations, where the \$22,500 threshold mentioned elsewhere in this newsletter would generally be exceeded, this treatment would not make any difference to the amount of tax collected by Inland Revenue. This law is to be revised from 16 April 2025. It will become permissible to treat these cards as classified fringe benefits. The exemption available for unclassified fringe benefits will not apply.

People returning to New Zealand and new residents

The government is concerned good brains are being turned away from this country because of the way we tax shareholdings in unlisted foreign companies. The new rule, known as the Revenue Account Method, is being created for taxing returning New Zealanders, who have been out of the country for at least five years, and those who have never lived here and become New Zealand residents.

There is a list of conditions and the method of tax is complicated to explain. If you or someone you know could qualify, please get in touch with us.

Do you supply electricity to the National Grid?

The law is to be changed so a natural person, who contributes their electricity to the National Grid, and who generates the electricity from a dwelling, will not be taxed on the income.

Tax Bill Changes Proposed:

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Unclassified benefits for employees

You will be aware if an employer makes a gift to an employee, the value of the gift is a fringe benefit. It is an "unclassified" gift, there is an exemption of \$300 per employee per quarter with a maximum of \$22,500 in total for a year.

For example, I give Christmas presents each worth \$200 to all my staff. Provided I don't have too many staff and when I include other gifts during the year, the total value does not exceed \$22,500, I get an exemption from fringe benefit tax.

What happens if instead of making the "unclassified" gift myself, the employee actually purchases the gift and then I reimburse them for the cost?

Answer: the reimbursement used to be taxable income but the law is now being changed from 1 April 2026 and it is to be treated as a fringe benefit.

Family boost

Proposed changes:

- maximum eligibility annual household income \$229,100
- percentage claim to go from 25% to 40% – maximum \$1560 per quarter.
- abatement rate drops from 9.75% to 7% for household incomes over \$35,000 per quarter.
- effective date 1 July 2025.

<https://www.beehive.govt.nz/release/households-get-extra-familyboost-help>

Paid parental leave rate

- Weekly payment to become \$788.66.
- Minimum rate for self-employed to become \$235 per week.
- Duration – continuous period of up to 26 weeks.
- Effective date 1 July 2025.



When renovating a new rental could cost you

Often, when a property is bought for rental, the owner will do it up shortly after purchase after it is tenanted. IRD's view is this cost should generally be added to the amount paid for the property.

Why? Because if it is work which the previous owner might have done, it is assumed, if that had happened, you would have paid more for the property. It is better to plan your maintenance and delay to a point where some wear and tear has occurred while you own it. Don't rush in at the beginning.

The following are the factors which should be taken into account when determining whether a maintenance cost should be added to the cost of the property or treated as repairs:

- the time which has elapsed before the repair is undertaken
- the state of repair of the asset at the time it was bought
- whether the asset was in a fit state to use at the time of acquisition
- whether this state of repair of the asset affected its value when you purchased
- intended use of asset compared with previous use
- nature and extent of repair work done
- whether the owner made any use of the asset before or during the repair work.

Think you're ready to grow?

Growth is exciting, and with the right planning, it can be a turning point for your business. But whether you're taking on more clients, expanding your services, or launching into a new market, it's 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:

1. Do you have enough cash flow 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. Do you have the working capital to manage that gap? If not, it could be time to explore funding options, stagger your expansion, or adjust your timeline.

2. 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.

3. 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's 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.

4. Are there any tax or compliance implications?

Business growth can push you 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.



NEW INVESTMENT BOOST

The 2025 Budget introduced a new 20% deduction immediately available on eligible new assets (like machinery or equipment), in advance of the normal depreciation available on the asset. It's a smart way to cut your tax bill while investing in growth. Talk to us if you think this could apply to your business.



Tax Calendar

DATE	CATEGORY	DESCRIPTION
20 November	PAYE, RWT	Small and large employers' payments due.
28 November	GST	Payment and return for October.
28 November	Provisional Tax (1 or monthly filing)	1st instalment (June balance date) 2nd instalment (February balance date) 3rd instalment (October balance date)
28 November	Provisional Tax (6 monthly filing)	1st instalment (April balance date) 2nd instalment (October balance date)
22 December	PAYE, RWT	Small and large employers' payments due.
15 January	Provisional Tax	
15 January	GST	Payment and return for November.
20 January	PAYE, RWT	Small and large employers' payments due.