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Paul Duggan & Associates Limited
Chartered Accountants

ACCELERATE

OUR NEWSLETTER FOR GROWING BUSINESSES

IN THIS ISSUE:

From personality tests to HR courses and CEO podcasts, there's no shortage of people telling you how to manage your people. But the best solutions are often those that move beyond the one-size-fits-all advice and are tailored to the specific needs of your team.

While many New Zealand organisations are still navigating economic pressures and making careful decisions about growth and staffing, there are also signs of renewed confidence and opportunities ahead. As businesses look to the future, it's a timely reminder that people and payroll processes deserve just as much attention as the numbers.

In this issue, we unpack some important employment topics, provide an update for company shareholders following this year's Budget, and share practical insights on leading a diverse team of people.

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What you need to know about restructuring your business

As Kiwi businesses continue to face rising costs, high interest rates, and cautious consumer spending, many are reviewing their operating models. For some, that means restructuring.

If you're considering changes to roles or staffing levels, it's important to understand your obligations as an employer. Here's what you need to know about restructuring your business legally, fairly and in good faith.

1. You need a genuine reason to restructure

A restructure should be driven by the needs of the business, not the performance of a particular employee. In other words, there must be a valid reason for the proposed changes, and you should be able to explain why the new structure better supports your organisation.

Real reasons for restructuring a business include:

- Financial pressures or rising operating costs
- Changes to products or services
- Outsourcing certain business functions
- A shift in business strategy or priorities.

2. Consultation comes first

Under New Zealand employment law, employees who may be affected by a restructure must be consulted **before** any decisions are made. You must give them relevant information about the proposed changes as well as an opportunity to respond and truly consider their feedback before making a final decision.

Any affected employee (with the exception of employees on $200k or more) left out of this process may have grounds for a personal grievance claim.

3. Other important considerations

Redeployment. Before making an employee redundant, think about whether that person could shift into another suitable role within the business.

Vulnerable workers. Some employees, including certain cleaners, caterers and caretakers, have additional protections during a restructure.

Employment agreements. Redundancy compensation is only required if it is included in the employee's contract.

If you're considering restructuring your business, talk to us first. We can help you better understand your financial position, assess your options, and make informed decisions before taking the next step.

Budget 2026 - Tax update for Companies being removed from the Register

Has your company been struck off, or is it looking to be removed from the Companies Office Register? Be aware that the most recent Budget affects 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 Companies 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.

Making the most of the 90-day trial

Hiring the wrong person can be expensive, which was one of the arguments for reintroducing 90-day trial periods in December 2023. The key is not to view the trial period as a safety net, but as an opportunity for both you and your new employee to make sure the role is the right fit.

To get the most out of a trial period:

Start before day one. A trial period isn't a substitute for good recruitment. Take time to check references, verify qualifications, and ask the right questions during the interview process.

Set people up for success. Be clear about expectations, provide training and support, and make sure your new employee understands what success looks like in their role.

Check in regularly. Regular conversations help you understand how a new employee is settling into their role, while giving them the chance to ask questions and seek support.

Address issues early. Don't wait until week 12 to raise concerns. If something isn't working, be clear about the improvements you expect to see.

Remember: the trial period works both ways. The first 90 days are also an opportunity for your employee to decide whether your business, team and culture are right for them.

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.

Heads up: Proposed changes to the Holidays Act

The Employment Leave Bill is currently making its way through Parliament and, if passed, will replace the Holidays Act 2003. The proposed legislation includes several changes to the way leave is taken and paid.

Leave entitlements under the new Bill...

- Annual and sick leave would accrue in hours, starting from an employee's first day of work
- Employees could take part-day leave
- Bereavement and family violence leave could become available earlier in employment.

Other proposed changes include...

- Simpler methods for calculating leave payments
- Clearer rules for determining public holiday entitlement
- New compensation rules for casual and additional workers
- Payslips becoming a legal requirement.

If passed, the new legislation is expected to include a two-year transition period, giving employers time to understand the changes and update their payroll processes.

For more information about the proposed changes, visit the MBIE website.

While there is no immediate action required, now is a good opportunity to review your payroll processes and ensure employee entitlements are being managed correctly. If you need help, get in touch.

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 bottom line. Different people approach problems from fresh angles, spot opportunities others might miss, and challenge assumptions that lead to groupthink.

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

1. Foster an inclusive environment

People do their best work when they feel comfortable being themselves, and that sense of belonging is built best through small, everyday actions. Consider dietary requirements when ordering lunch; be mindful of religious observances; and make sure social activities don't unintentionally exclude anyone

2. Encourage unexpected pairings

Resist the temptation to group similar people and, instead, deliberately pair people who think differently. Encourage mentoring between experienced and newer employees. Team a big-picture thinker with someone who excels at details, or ask someone who naturally sees risks to work with someone focused on opportunities. The goal isn't diversity for diversity's sake; it's to find better solutions by bringing a variety of perspectives together.

3. Embrace different personalities

Personality is one of the most overlooked forms of diversity. While psychologists continue to debate its definition, the takeaway is that people are simply wired differently. Some employees nod along in meetings, while others contest every point. Some love the buzz of an open-plan office; others seek out a quiet corner. These differences are often less about attitude and more about personality: good leaders recognise this and subtly adapt their approach.

4. Support neurodiversity

Neurodiversity – including ADHD, autism and dyslexia – can influence how people communicate and process information. It can also bring strengths, such as creativity, attention to detail, and innovative problem-solving.

Small changes, such as providing written instructions, encouraging movement breaks, and creating a no-judgement culture around noise-cancelling headphones or fidget toys, can remove unnecessary barriers for neurodiverse employees.

Diversity pays dividends

Clashing perspectives can be uncomfortable, but they also make businesses better. The organisations that embrace those differences are often rewarded with stronger teams, better ideas, and employees who want to stick around.

Tax Calendar - August 2026

DATE	CATEGORY	DESCRIPTION
5 August	PAYE	Large employers payments due for deductions made 16 to 31 July. File employment information within two working days after payday.
20 August	RWT	RWT return and payment due for deductions from dividends and deductions of $500 or more from interest paid during July.
20 August	N-RWT / Approved Issuer Levy	Payment and return due.
20 August	PAYE	Large employers payments due for deductions made 1st – 15th August. Small employers payments for deductions made in July. File employment information within two working days after payday.
28 August	GST	Payment and return for July.
28 August	Provisional Tax	1st Instalment due for 2027 provisional tax.

Note: any provisional tax due dates noted apply to those clients who pay provisional tax on the standard uplift or estimation basis and have a March balance date. Different dates apply for those clients who have different balance dates, or use the ratio or AIM method. Contact us if you would like to check your provisional tax payment obligations.