

BC'S BUSINESS BRIEFS

Welcome to the third edition of BC Bulletin for 2006. The year is now well through and we are racing towards Christmas at an alarming rate. It is now almost 12 months since Baigent Consulting Ltd commenced business, and a major change is on my horizon, with a move out of the central city taking place to a location close to the Botany Town Centre.

New Office Details

Where? Level 2, 301 Botany Road, Botany. This location is approx 400 metres north of the Botany Town Centre (New Zealand's second largest shopping mall) in a small commercial complex comprising approx 30 to 40 small businesses. The office that we are shifting into is shared with McElwee & Co Ltd, Accountants. Ian McElwee, who operates McElwee & Co, uses very similar systems to us (including the same MYOB software) and currently has spare capacity. The shift will enable us to increase staff and other resources in order to cope with the client growth we have been experiencing, as well as providing a more pleasant working environment and less traveling time each day.

What does this mean to clients?

One of our aims is to ensure a seamless transition to ensure that you as clients don't experience any alteration in the service levels that we have provided to date. If you are now located further away from our office, then we will travel to you to ensure you are not disadvantaged in terms of either time or cost. To many of you the move will bring us much closer to your business, physically.

Contact Details

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When: We will be shifting on the weekend of 19/20 August and expect to be fully operational on Monday 21 August.

BAIGENT CONSULTING LIMITED

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Tax Titbits

Some recent tax changes affecting businesses include:

- 1** The Depreciation rates applicable to new assets purchased in the 2006 year and after have in many cases increased following a review of Depreciation methods and rates by IRD.
- 2** Aligning of Tax Payment dates. GST payment dates are changing to the 28th of each month from all GST periods ending on or after 31 March, 2007. Income tax payment dates are also moving back from the 7th of each month to the 28th of the month while the due dates for payment of Provisional Tax will change from the current 4th, 8th and 12th month of a taxpayers financial year to the 5th, 9th and 13th month of the year with application from the 2008/2009 tax year. This change represents a deferral of the due date of approx. 7 weeks on each payment.
- 3** A new method of calculating Provisional Tax has been approved for small taxpayers based on sales taken from GST returns which has the advantage of eliminating any Use of Money Interest charges, also from the 2008/2009 tax year.
- 4** New rules are proposed for the taxation of investments. Many of the proposals have attracted considerable criticism from the point of view of discouraging offshore investment. This legislation is still in Bill form and is not likely to be enacted until late this year to apply from 1 April 2007 and changes are expected to the Bill in it's current form.
- 5** The Business Tax review has recently been released which is a wide ranging document dealing with business taxes. No doubt there will be significant discussion on this document in the media and changes will ultimately happen, but these are still in their infancy.

Authors Food for thought

With the current slowdown in economic activity, all businesses affected should be looking at ways of improving their bottom line. A well known NZ businessman once stated in addressing a business audience on surviving in difficult economic times, "if you want things to change, you have to change some things". He was referring to the well known human habit of expecting that by just concentrating harder on your business when times are tough, things will automatically improve. His message – **"that's not enough – you need to find ways of doing things differently (not just better) to give yourself a competitive advantage."**

What is your competitive advantage?

Disclaimer of Liability: The views contained in this article are the personal views of the author. No liability will be accepted for actions taken in reliance on those views by any other person.

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