

## End of Year

# REVIVE, REFRESH, RE-FOCUS!

“The best way to predict the future is to create it.”

– James Clear

The lead-up to the annual Christmas break is exciting and so desperately needed. We must make “recharging” the most important goal to achieve this break.

**W**e all need some fun, holiday time eating, connecting, and resting - all on a stress-free time frame.

Leading into Christmas and the following break can be a very stressful time of the year in the workplace and for people in their personal lives. For many, work stress loads triple and it seems like everyone wants something done BY CHRISTMAS! But for some, the whole Christmas period is a mass of complex social interactions with family, relatives and some people you'd rather not see. Old emotional triggers get stirred up and often leave people wound up like a spring – put alcohol on top and it all turns to custard!

You then go into the holiday break and feel frazzled and BUSY again! Suddenly back to work and you feel exhausted a few weeks back in!

Sound familiar?

STOP – rethink – what is the real meaning behind what this period of time is about? It's the connection with family, friends and acquaintances, to relax and enjoy each other's company. And of course, to recharge and rest YOURSELF.

Remember, it's your Christmas and break, too, so make a real effort to relax, have fun, laugh, and engage with those around you. Share the load, make it a team effort and focus on the real meaning of Christmas and the part you play in this particular time.

If anyone is difficult, then try to rise above the situation – be the better person, in the short life we

have, is it worth the aggravation and upset? I think it would be better to create happy memories.

A fresh approach makes a difference.

Do things differently so that you feel revived and re-focused. Remember if you keep doing it the way you've always done it you'll get the same result. So what needs to change?

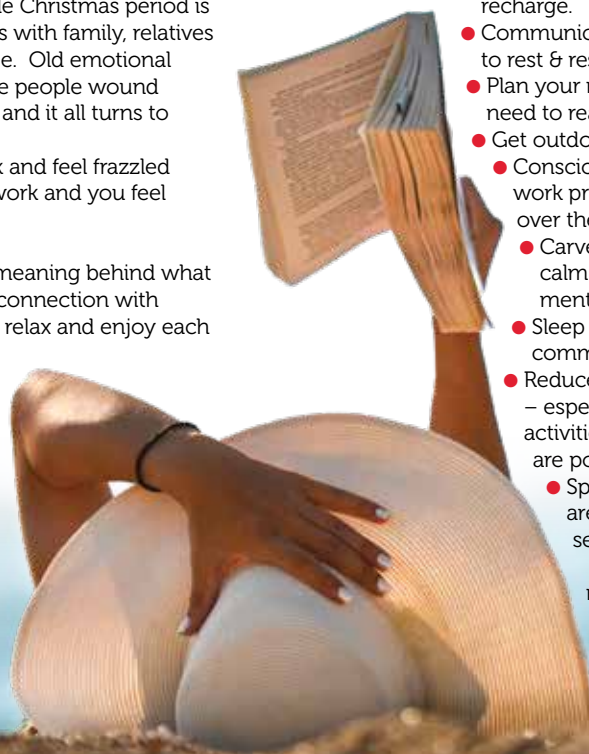
If you want to feel recharged and have a great break, then a plan is necessary! But often, we don't plan, and the days disappear and suddenly, its a day or two before you go back to work and you are panicking thinking about how you didn't recharge yourself.

So here are our top tips for you:

- Permit and force yourself to slow down, pause & recharge.
- Communicate your needs so you get the time you need to rest & restore.(people aren't mind readers!)
- Plan your recharge and rest time- know what space you need to read, relax or sleep.
- Get outdoors every day & be active.
- Consciously switch off from work. As you leave the work premises, shut the door & focus on recharging over the holiday break!
- Carve out small windows to have moments of calm throughout your day. Just be still physically, mentally & emotionally. Breathe – deep & slow.
- Sleep when your body says YES PLEASE! It's communicating – don't ignore it!
- Reduce time spent on social media and technology – especially if you are looking at all the great activities, holidays and fun other people you know are posting about!
- Spend more time with people face-to-face – we are social animals, we need connections to feel seen, heard and know that we matter!

And remember sleep is the foundation for recovery and renewal, so don't be tempted to stay up late each night and wonder why you don't feel rested on your return to work!!

– [www.TheMentalFitnessCompany.com](http://www.TheMentalFitnessCompany.com)



### IN THIS ISSUE

EMA case summary employees must be consulted on transferring in a business sale Extra pay when employment ends Trust – a key element of brand loyalty Building brand loyalty Ethical disposal of old devices Undercharging – a recipe for disaster Contractor or employee Tax calendar Get creative with AI How can AI help? – just ask it Common courtesy wins a plumber

# EMA CASE SUMMARY

## employees must be consulted on transferring in a business sale

Mr Kohavy worked as a territory manager for Paragon Multiplex Limited (Paragon) from 2016 to 2023. In March 2023, co-directors and shareholders Mr and Mrs Coates announced to Paragon staff that the business had been sold to another company owned and operated by T. Some staff were offered positions with that company. Some were not. Mr Kohavy, as an unlucky employee who was not offered further employment, raised a claim with the Employment Relations Authority (the Authority) alleging he had been unjustifiably dismissed.

Negotiations for the sale of the company commenced in January 2023 with a nondisclosure agreement being signed on 2 February 2023. The sale went unconditional on 15 March 2023. The Coates' legal advisors told them to not reveal details of the sale to staff until they were ready to give full notice of purchase, on 17 March 2023. Mr Coates discussed offering employment to Mr Kohavy and other staff with the purchasing business owner, T. However, nothing came of those discussions for Mr Kohavy, who finished with Paragon on 31 March 2023 and found he had not received an offer from the purchaser. The Coates claimed they did their best to make arrangements for staff with the purchaser as well as paying out notice.

In the Employment Relations Act 2000 (the Act), where an employer who is proposing to make a decision that will or is likely to have an adverse effect on the continuation of an employees employment, it must provide access to information about the decision that is relevant to the continuation of the employees employment, and an opportunity to comment on this before a decision is made. Paragon had already decided by the time they talked to staff on 17 March 2023 that the business was to be sold, and the employment agreements terminated.

The Coates were genuinely concerned

about possible information leaks, but the Authority observed they did not consider options other than not telling staff. The family-run business only had a small group of staff. A fair and reasonable employer should have considered making an offer to the potential purchaser to consult with the staff, subject to them signing a non-disclosure agreement. This would supplement the employees' existing good faith obligations.

The Authority referenced case law which also involved a transfer of business. The Employment Court there concluded that in those circumstances, a fair and reasonable employer could have considered options for exploring whether it could maintain the integrity of the parties' commercial position and still inform employees of the proposal in a confidential manner.

The Authority noted there were tight timeframes at some points of the process, which might have impacted on the ability for proper consultation and feedback. It also noted how the Coates followed up with T once they learned that Mr Kohavy and others had not been offered employment. However, they had told staff not to contact T directly and to wait for him to contact them. The Authority was critical of this and felt the Coates should have done more. A fair and reasonable employer would have followed up to check that everything was on track.

Mr Kohavy's claim for unjustified dismissal was upheld and he was entitled to remedies. Paragon was ordered to pay Mr Kohavy \$11,778.83 in lost wages and compensation for humiliation, loss of dignity and injury to feelings, of \$12,000. Costs were reserved.

— *Kohavy v P & W Coates Limited*  
(Previously known as *Paragon Multiplex Limited*) [2024] NZERA 399; 03/07/24;  
N Craig]

## Extra pay when employment ends

From 1 April 2025, it is proposed to have a new way to calculate tax when someone leaves your employment. Employers will determine the tax based on the amount of the extra pay and the annualised amount of PAYE income payments received over the last two pay periods. This is how it works: Amount of the extra pay: This is the total amount of the extra payment. Annualised amount of PAYE income payments received over the last two pay periods: This is the total PAYE income the employee received in their last two pay periods, annualised. Annualising means multiplying the total income by 52 (number of weeks in a year) and dividing by the number of weeks in the two pay periods. Here's a simplified example: • Employee's last two fortnightly pay periods: \$1500 each • Annualised PAYE income:  $(\$1500 + \$1500) \times 52 / 4 = \$39,000$ . • Extra pay: \$15,000. The total is \$54,000 (\$39,000 plus \$15,000). You will find the tax rate on \$54,000 will be 30%. This is therefore the tax rate which will apply to the \$15,000. ACC will also need to be deducted so find the tax tables which include ACC.



"Your most unhappy customers are your greatest source of learning."  
— Bill Gates

## TRUST

### A key element of brand loyalty

Brand loyalty is often misunderstood by small business owners. They think that because they have loyal customers, their brand is valuable. Not quite, because customer loyalty and brand loyalty are a bit different. Loyal customers buy from you regularly, probably out of habit, because it's convenient, or because the price suits them. When any of these factors changes, you risk losing them. Brand loyalty, however, is when a customer has an emotional connection with a brand. It means they consistently choose your product or service over competitors. They stick with you even if your price is higher than a competitor, or if you move your business farther away. Brand loyalty arises from reliability and consistency. People stay with a brand because they trust it. They know what they are getting. Think brands of shoes, for example.

### Building BRAND LOYALTY

Here is a real-life example of a small-time builder. Peter had Bob build his house 10 years ago. A leak developed so he called Bob. Not only was the leak fixed without charge, but Peter and Bob both agreed it wasn't caused by the building work. On the strength of this story, a third person, Jack, called Bob who agreed to build Jack's house. In the process, Jack noticed how skilled Bob's workers were and the high quality of everything done. The whole experience was professional. Ten years later, Jack wanted an extension to his house. He called Bob. He didn't call anyone else and he didn't get any quotes. Why? It was not loyalty to Bob. It was not because he liked Bob or because his price was good. It was actually because of the reliability and consistency of his work. It was because the quality of his work could be trusted. It was Bob's brand.

# Ethical disposal of old devices

With the end of Windows 10 fast approaching, upgrading to Windows 11 will soon become essential for many businesses, with more than just software upgrades to consider.

It presents a chance to adopt responsible e-waste management and improve sustainable procurement practices. In the second instalment of our Windows 11 Transition Series, we delve into strategies for minimising environmental impact throughout your upgrade journey, emphasising responsible recycling and efficient lifecycle management techniques.

## What is Ethical Disposal of Devices?

With IT hardware constantly upgrading the production rate of electronics has increased. This has led to a concerning trend: many of these devices end up abandoned in landfills or forgotten in cupboards, unused and neglected.

Recognising the environmental and social implications of this trend, ethical practices in IT disposal have become imperative. By diverting devices away from the landfill cycle and repurposing them, we can better serve both our environment and society.

## Why is it Important?

### CRITICAL MATERIALS SHORTAGE

Let's discuss the electronics stored in your home cupboard first. These devices hold valuable resources, some of which are limited. Did you know that six key elements crucial for mobile phone production are projected to be depleted within the next century if not adequately recycled? Additionally, we are currently facing a significant chip shortage, disrupting supply chains globally. Chips are vital components found in various products, from automobiles to smartphones to gaming consoles. Our daily lives rely heavily on them. Manufacturing chips is a complex process, typically taking around three months and requiring dust-free environments, extensive facilities, and multimillion-pound machinery.

Liberating these devices from the confines of cupboards and entrusting them to ethical recyclers, secondary users, or vendors could significantly contribute to mitigating the critical materials shortage. By doing so, we ensure a sustainable supply of these vital resources while contributing to a circular economy that reduces waste and environmental impact.




"Successful people do what unsuccessful people are not willing to do."  
— Jim Rohn

### E-WASTE

With the frequent upgrading of devices by corporate organisations, offices, small businesses, and individuals, disposing of unwanted and outdated items has become more common. This is especially true considering the significant amount of data stored on these devices, necessitating thorough wiping.

E-waste is the fastest-growing toxic waste stream in New Zealand. In 2017, the country generated approximately 99,000 tonnes of electronic waste annually, amounting to 20.1 kg per capita. Unfortunately, a sizable part of this waste, around 97,000 tonnes, ends up in landfills, holding harmful chemicals and hazardous toxins. As these devices degrade, these pollutants seep into the surrounding soil and eventually contaminate water sources, further harming the environment.

*How to Ethically Dispose Old Devices — Ricoh New Zealand*



## UNDERCHARGING a recipe for disaster

We all know most businesses fail within their first five years. There are many reasons, but one of the most consistent issues, especially for new business owners, is pricing. It's a tricky area, with the huge temptation to underprice the market to get new business. That strategy is a recipe for disaster. Undercharging is universally recognised as the biggest, most common and most dangerous mistake in business. One business adviser says very few people overcharge, but he estimates 90 percent undercharge. The forces that push businesses into liquidation work both ways. The business owner might be producing a great product but doesn't appreciate how good it is, so it's sold cheaply. Chances are the customer also doesn't appreciate its value because it's cheap. Often, the higher your price the more you will be perceived as good at your job! A Wellington entrepreneur once said: "Set your price to the point of resistance." In other words, your customers will tell you if they think you've overshot your pricing. But more often than not, you'll not be charging enough. If you raise your prices by 10 percent, your income might even double because the extra charge is all profit. For example, sales of \$500 provide a profit of \$50, but the profit on sales of \$550 is \$100.

## Contractor or employee

It is good to see the Minister for Workplace Relations is proposing to provide clarity as to the status of contractors v employees. The Uber case has thrown this issue into doubt.

The proposal includes the need to meet four criteria  
The criteria are:

- a written agreement with the worker, specifying they are an independent contractor
- the business does not restrict the worker from working for another business (including competitors)
- the business does not require the worker to be available to work on specific times of day or days, or for a minimum number of hours OR the worker can sub-contract the work
- the business does not terminate the contract if the worker does not accept an additional task or engagement.

*Contractor or Employee — Knowhow Ltd*

## Tax calendar

### 15 January 2025

Second instalment of 2025 provisional tax (March balance date except for those who pay provisional tax twice a year)  
Pay GST for period ended 30 November 2024

### 7 April 2025

Terminal tax for 2024 (March, April, May and June balance dates). For all clients except those who have lost their extension of time privilege.

### 7 May 2025

Third instalment of 2025 provisional tax for those with March balance dates



## Get creative with AI

One of the most used AI tools for small businesses is creative writing. That's because business people don't necessarily make great writers.

So how is AI being used? Think about what writing you do through the day. Maybe as a builder, for example, you don't think you do a lot of writing. But:

- You have to write emails to prospective clients, saying how good you are.
- You will occasionally have to reply to an unhappy client.
- You will need to write the words for an advertisement or flyer.
- You will need to keep your website or social media page up to date. Once you start using AI writing tools, you'll find all sorts of other uses. But always remember, AI is not you. If the words AI spits out don't reflect your true personality or faithfully reflect your business brand, people who know you will be wary. Check everything before you press 'Send'.

### How can AI help? Just ask it

AI is here for good, but most small and medium businesses (SMEs) in New Zealand are still reluctant to adopt it.

The reasons: not understanding how it can be used, and little appreciation of its value to a business. However, some business pundits are suggesting those who adopt AI now will gain the most in years to come.

The reality is that AI can make a valuable contribution to your productivity. So how else can it help your business?

There's a simple answer – ask AI. Be as detailed as you can about your business in your questioning. You might be a retailer, but you sell imported giftware in the city. You might be a plumber, but your specialty is drain laying in rural areas.

There are lots of AI programs to choose from, so just search online: "Ask AI a question". You might be surprised at the answers.

*"Business opportunities are like buses, there's always another one coming."*

– Richard Branson



## COMMON COURTESY WINS A PLUMBER

A client recently needed some plumbing work done. Her usual plumber said he was "too busy" and wouldn't say when he'd be available.

Since the job was fairly urgent, she called another plumber, a young guy eager to grow his business. They exchanged a few texts, figured out what needed to be done, and set up a time that worked for her.

He got delayed on the way, but what he did next pretty much guaranteed him a lifelong customer. He called to let her know he'd be a bit

late but would be there soon, and he arrived less than 10 minutes later.

The client wasn't bothered by the delay at all. In fact, she told the plumber she was impressed he took the time to call.

He seemed a bit puzzled and said, "That's just common courtesy, isn't it?"

It is common courtesy, but it's often overlooked these days. Courtesy won this plumber a new client, while a lack of it cost the other plumber valuable business.

### Administration

Darrin Rogers – General Manager

Heather Menzies – Conference and Administration Manager

### Contact

NZ CA Limited  
P O Box 132, Napier  
Telephone (06) 835 5299  
Email: info@nzca.com  
Website: www.nzca.com

### Directors

Natalie Milne (Chair) – YRW Ltd  
Joe Morgan – gfa Chartered Accountants  
Carl Cachopa – RSM NZ  
Paul Dickey – Vazey Child  
Karen Draper – Wallace Diack

### Members of NZ CA Limited

Accountants Hawkes Bay - Napier	(06) 843-4868
Accounting HQ - Rotorua	(07) 348-7066
BM Accounting Limited - Havelock North	(06) 876-7159
- Waipukurau	(06) 857-8901
Brophy Knight Limited - Ashburton	(03) 308-5104
Brown Glassford and Co Ltd - Christchurch	(03) 365-0881
BW Miller Dean - Wellington	(04) 910-3340
Candy Gillespie - Matamata	(07) 888-7089
GCOL Chartered Accountants - Lower Hutt	(04) 939-1975
gfa Chartered Accountants - Te Awamutu	(07) 872-6444
Harris Taylor - Hawera	(06) 278-5058
ICL Chartered Accountants - Alexandra	(03) 440-0100
Martin Wakefield - Timaru	(03) 687-7122
- Christchurch	(03) 343-4012
Matheson Rae - Christchurch	(03) 343-3692
McDonald Vague - Auckland	(09) 303-0506
McIntyre Dick & Partners - Invercargill	(03) 211-0801
McKenzie & Co - Oamaru	(03) 434-7944
nsaTax Limited - Auckland	(09) 309-6505
RSM New Zealand - Auckland	(09) 271-4527
- Auckland North	(09) 414-6262
- Auckland Central	(09) 367-1656
Southey Sayer - Masterton	(06) 370-0811
Strettons - Taupo	(07) 376-1700
Sudburys Limited - Whangarei	(09) 430-4888
Vazey Child Limited - Hamilton	(07) 838-2169
Wallace Diack - Blenheim	(03) 578-7389
Whitelaw Weber Limited - Kerikeri	(09) 407-7117
- Kaikohe	(09) 401-0991
- Kaitia	(09) 408-1220
YRW Limited - Tauranga	(07) 578-0069

### Changes in Particulars

Please remember to let us know of any changes in:

- Physical address • E-mail address • Phone and/or fax numbers
- Shareholdings • Directorships • Trustees

Or anything else that may be relevant.

### Disclaimer

All the information published in Trial Balance is true and accurate to the best of the author's knowledge however it should not be a substitute for professional advice. No liability is assumed by the authors or publisher for any losses suffered by any person relying directly or indirectly on this newsletter. Views expressed are the author's own.

Articles appearing in Trial Balance may not be reproduced without prior approval from the editor and credit being given to the source.