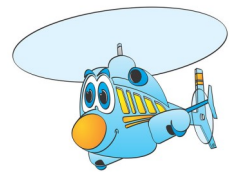


**RICHIE MCCAOW'S PASS MARK**

What do you make of Richie's pass mark of 94% in his six flying exams? I would have thought a Helicopter Pilot would have needed a 100% pass mark. What if you're up in the air with Richie and its that 6% he failed that is needed because the Helicopter is in trouble?

**PERRIAMS HIT 2.25M**

The paperless office or not?

The copier in Branch (that we have had for over 6 years) has done nearly 1.5 million copies and the Head Office one has done nearly 750,000 and that's just black and white!

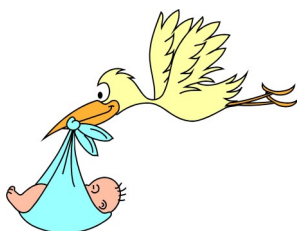
**A BIT OF A CHUCKLE**

One summer evening during a violent thunderstorm a mother was tucking her son into bed. She was about to turn off the light when he asked with a tremor in his voice, "mommy, will you sleep with me tonight? The mother smiled and gave him a reassuring hug. "I cant dear," she said "I have to sleep in Daddy's room". A long silence was broken at last by a shaky little voice: "The big sissy".

**THE STAFFROOM**

**Assets Added:** We are excited to welcome Kelly Duffy to the team. Kelly started with us on the 19th September as an intermediate Accountant. Kelly has a strong background in MYOB, having previously worked for MYOB for 5-6 years in various roles and undertaking various projects. This will be Kelly MII as we already have Kelly Snell MI.

**Small Assets:** Congratulations to Oliver Johnston and his partner Noemi who welcomed the safe arrival of baby Sebastian on 21 September. At 8.5 pounds he is a robust wee fellow and we expect he will be getting a squash racquet for his 1st birthday!



Good advice is over the bar



Perriams ... pole vaulting our clients to new heights!

**MEETINGS**

What a drag they can be! They go longer than they're supposed to, someone blabs out of turn or off topic. Your mind drifts to tasks you could be checking off instead of sitting there, stuck. Then come the action items and, tag you're it. Your to-do list just got longer.



Sound familiar? Sure does to us. Believe it or not, not all meetings are total time sucks and not all meetings are boring. Some run like clockwork. With an attendee nip here and an agenda tuck there, they can be efficient and productive and if you're lucky, even a little fun.

Keep them organised, structured on the subject and always include some light discussion.

**A GROWTH INDUSTRY****TAB SPORTS BETTING REVENUE**

Basketball	\$81m
Soccer	\$69m
Rugby	\$57m
Cricket	\$53m
League	\$49m
Tennis	\$44m
Other Sports	\$52m
<b>TOTAL</b>	<b>\$405m</b>

**DID YOU KNOW?**

That pole vaulting was known to the ancient Greeks and Cretans and long poles were used to vault over bulls.

Perhaps those cattle rustlers who stole 500 cows recently from a mid Canterbury farm have employed this ancient approach.

**THE MILLION DOLLAR VIEW**

Remember the property with the 1 million dollar view? Many Aucklanders are paying a cool million to purchase properties with views consisting of a dirty old industrial site.

**TOILETRIES VERSE SHOWER CAPS IN THE MOTEL**

We know at least one person has read our newsletter because they have come back to us on our "swipe the shower caps as they make great salad covers" story.

Our client discovered this about 16 years ago and now thinks she should have patented the idea!



# Purpose With Profit

## Perriam & Partners Chartered Accountants & Business Advisors BEHIND THE BEANS—2016



Unit 4, 35 Sir William Pickering Drive, Christchurch | 03 358 3108 | firstname@perriams.co.nz | www.perriams.co.nz | October 2016— Issue 64

**THE NUMB3RS**

One in eleven jobs in the world is tourism related. Tourism employs 6.9% of the New Zealand workforce.

The most visited countries in the world in 2015 were:

France:	83 million visitors
United States:	75 million visitors
Spain:	65 million visitors

Visitors to New Zealand came from:

Australia	41%
China	12%
USA	8%
UK	6%
Japan	3%
Germany	3%

**CELEBRATING 10 YEARS ... SUSAN WHITE**

10 years well, well



On 11th September 2016 Perriams celebrated our sixth Decadian when Susan was inducted into the Perriam & Partners Hall of Fame.

Susan is pictured here receiving her commemorative plaque and a \$1,000 travel voucher. Well done Susan!

**CUTTING THE MORTGAGE DOWN FASTER**

Yes, there are hundreds of articles that have been written on this subject and getting rid of that big debt involves paying **more, more** often.

There's no magic to it. Just pay more and more often! This involves:

- A budget.
- Discuss creative ways to find more money.
- Be prepared to sacrifice things for a few years.
- Divert pay rises, bonuses towards your debt.
- Always negotiate with the Bank.
- Review your structure.
- Pay fortnightly.
- Shorten the term.
- Keep paying the same when the interest rate drops

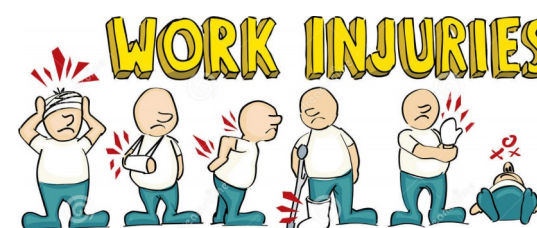
And here is a tip ... resist buying a new car unless you can pay for it in cash.

**NEW ZEALAND'S RATE OF WORKPLACE ACCIDENTS**

9% of full time employees get injured at work.

Compared to other developed countries, we have one of the worst rates of workplace fatalities. 75% of these activities happen in five key industries:

- Agriculture
- Mining
- Construction
- Forestry
- Arts & Recreation

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### GENERATION NEXT

Generation Z has been born into a world in which life in many ways, sucks. In 10 years time, the younger members of this generation will be leaving University almost certainly more heavily indebted than any generation before them, and they will be entering a workplace in which it is estimated that half of all currently existing jobs will have disappeared. Sound about right?

Our Gen Z-ers can expect to have eight major job changes over their working lifetimes. Precluding a housing crash, only the thinnest scraping of Gen Z-ers (those with excellent jobs or with wealthy parents) are going to be able to buy a house in Auckland and it won't be restricted to just Auckland. Even then, those houses will most likely be on the bare edge of the city, miles of traffic congested roads from home.



### MILLENNIALS LOSING THEIR GRIP

Handshakes are getting weaker. That's the findings of researchers from North Carolina's Winston-Salem State University, who discovered men and women under 30 have weaker grip strength than they did in 1985.



On average, men's hand strength has decreased by 20 pounds and women's by 10 pounds.

Increased technology use and less manual labour are cited as the likely causes.

### WHATS UP?

- Chinese Airlines need to hire almost 100 pilots a week for the next 20 years to meet skyrocketing travel demand. Ever thought about becoming a pilot?
- Manuka honey, kiwifruit, avocados, cherries and other pip fruit are all on the rise in New Zealand. The fall in dairy farm conversions has prompted much more interest in these activities and even sheep milk is building some momentum.



### BOOM TIMES ... BUT!

It's still boom times in New Zealand despite the dairy down turn. It's likely to be difficult to predict how long the current economic boom will last and it will be highly dependant on our tourism and building sectors, as both will continue to attract migrants boosting economic activity, **but** there is certainty, and that is that booms don't last forever and there will be a down turn. We just don't know when.

### FACEBOOK

Did you know Perriams has a Facebook page?

Please 'like' our page. It's a great way to keep up to date with articles of interest, important dates and what our staff are up to.



### TAX RATES

PERSONAL	\$0—\$14,000	10%
	\$14,001—\$48,000	17.5%
	\$48,001—\$70,000	30%
	\$70,000 +	33%

COMPANIES	28%
TRUST	33%



### GST ON SOFTWARE SUBSCRIPTIONS

With the massive growth in the technology and online sector we are seeing an increasing number of expenses for computer software subscriptions for overseas companies such as Dropbox, Google etc.

We would like to remind you all that when preparing your GST Returns please ensure that you have a GST Tax Invoice for your computer subscriptions as some of these companies are based overseas and therefore aren't currently charging GST.

This is likely to change within the next 6 months as the Government enforces new rulings for these companies to charge GST, but in the meantime, always best to check.



### IR AUDIT ACTIVITY— 2016 UPDATE

Inland Revenue has an ever increasing focus on audit activity including the so called "hidden economy". In this newsletter we comment on Inland Revenue's current areas of interest.

### IR KEY COMPLIANCE FOCUS

From time to time Inland Revenue publishes its key compliance focus areas. To view, visit [www.ird.nz/taxagents/compliance/key-focus-areas](http://www.ird.nz/taxagents/compliance/key-focus-areas).

Areas of focus in the latest report include:

- Aggressive tax planning.
- People with high wealth or income.
- The "property business: (including residential property trading and one off speculation, with a focus on new and infill developments.
- Under reporting income and operating outside the system.



### UNDER REPORTED CASH INCOME

Looking at underreporting of income in respect of some industries, Inland Revenue has developed a very strong focus on the percentage of sales it expects to have been received in from cash based on other businesses in the same or similar sector (restaurants, cafes, takeaways, bars etc) geographical area (urban, suburban, city, country) clientele (wealthy, not so wealthy, professional, student) size of transactions (smaller being more likely to be cash) etc.

### THE TAX CONSEQUENCES OF RENTING OUT YOUR PROPERTY AS HOLIDAY ACCOMMODATION

Landlords are starting in ever increasing numbers to look at the opportunities to rent furnished accommodation on a casual basis at rates that generate a higher overall income despite vacancy rates than what could be achieved with a permanent rental.

In that respect, they are competing with traditional providers of commercial accommodation, hotels, motels and boarding houses. There are some tax consequences to this type of activity though.



### ISSUES TO CONSIDER

Landlords also experimenting with short-term letting and adding dwellings to this activity need to project forward their likely turnover. As soon as you are on track to turn \$60,000 from the activity overall you lose the option to remain unregistered for GST.

Other tax issues include the potential impact of the mixed use asset rules where the property owner is enjoying personal use of the property when it is not let to guests. These rules allow for deductions of mixed use costs only in the ratio of booked nights to total nights occupied, for example, no deduction for the vacant but available nights. There is also a ring fencing provision for losses if gross rent does not exceed 2% of the CV of the property. Even renting a single room to boarders or flatmates can have tax consequences.

Consider also that short term accommodation will also require you to furnish the property and provide power, phone and WI-FI. Assets purchased for this purpose are depreciated and the extra utility and marketing costs are deductible.

Consider carefully your insurance issues. This type of activity does alter your risk profile, so tell your insurer. Remember those "P" cooks are wealthy guys; they are just as likely to rent your multimillion dollar beachfront home to cook their meth and have an industrial unit in the back of beyond.

If you have any questions here please make contact with one of our Accountants.

### WHY SEEK OUT FAILURE

Most people don't want to fail. Anything worth doing is worth doing well.

Even so, nothing is more instructive than failure and anyone who's failed (which is essentially everyone), will tell you that they learned more from falling flat than winning big. Learning isn't the only reason to seek out failure. Failing at new and usual ventures breeds confidence. After awhile, you're no longer timid about trying new things. Failing makes for fearless entrepreneurs.

### WHAT DOES HAVING A MESSY DESK SAY ABOUT YOU?

Messy desk? Not so bad after all! Next time the boss has a side swipe at your messy desk let him know there is a genuine reason for it.

The following is an article we located on stuff:

New research has found that a messy desk may encourage creativity whilst a tidy desk might promote generosity. It is time to cast off the shame, the lame excuses and to stop hiding behind the clutter of that messy desk.

It turns out that mountains of paper and obsolete documents may no longer be a cause for embarrassment. Instead, new research has found that mess triggers creativity.

New research published in the journal, Psychological Science, shows that working at a clean and tidy desk may promote healthy eating, generosity and conventionality. It also shows a messy desk may encourage creative thinking.

Psychological Scientist Kathleen Vohs and researchers at the University of Minnesota found that "you can get really valuable outcomes from being in a messy setting".

People who took part in the experiment were asked to fill out questionnaires after completing a task either in a clean and orderly office or one cluttered with papers and office supplies. In another experiment people were asked to think of new uses for ping-pong balls.

Those in the messy room came up with the same number of ideas as their clean-room counterparts, but their ideas were rated as more interesting and creative. "Being in a messy room led to something that firms, industries and societies want more of: Creativity" Vohs said.

Vohs said disorderly environments seemed to inspire "breaking free of tradition" which can produce fresh insights". Orderly environments in contrast encourage convention and playing it safe" she said.

Conclusion, perhaps neither is better than the other. It's what works for you.



### "AIRBNB"

Curious as to what it is or where it comes from?

Apparently it's a combination of "airbed" and "bed and breakfast" (or "B&B" a way of hosting in which guests receive a warmer hospitality than hotels).

As the company started growing and gained more momentum, the name Airbnb began being used as a catchy contraction of Air Bed and Breakfast.

