

PERRIAM & PARTNERS

Chartered Accountants & Business Advisors



BEHIND THE BEANS 2018

Issue 75—October 2018



13 THINGS YOU SHOULD GIVE UP IF YOU WANT TO BE SUCCESSFUL

1. An unhealthy lifestyle.
2. A short term mindset.
3. On playing small.
4. Making excuses.
5. The fixed mindset.
6. Believing in the "magic bullet."
7. Your perfectionism.
8. Multi tasking.
9. Your need to control everything.
10. On saying yes to things that don't support your goals.
11. Toxic people.
12. Your need to be liked.
13. Wasting time.



IS IT POSSIBLE TO CATCH UP ON SLEEP?

We thought the article below was of interest, particularly because a good night's sleep is "priceless" so value it and you'll be firing on all cylinders the next day.

During sleep our memories from the day are solidified and our brain does a bit of a clean up, sorting through the things we need to hold onto and discard from the day. We also get the rest we need to ensure we can function properly the following day. But not all of us manage to get eight hours sleep per night, and might miss out on some of these benefits.

Five experts were asked if it's possible to catch up on missed sleep later ... three out of the five experts said yes. We can catch up on sleep but not on the exact number of hours lost. Catching up on sleep is essential since sleep is a biological necessity.



"I can get by on just 2 hours of sleep every day, as long as I nap for 14 hours."

WHY NEW ZEALAND IS ON THE BUCKET LIST FOR THOUSANDS OF CHINESE TOURISTS

Natural attractions were the big pull with Franz Joseph Glacier named a must see along with Maungawhau/ Mount Eden Crater, Fox Glacier and Milford Sound.

Chinese travellers love the country and they love Kiwis. They are eager to taste local delicacies such as manuka honey and buy authentic locally sourced items. However they did have some concerns.

According to research, Chinese preferences for technology during their stays are not being met. Booking and reservation methods were not up to scratch for some travellers and local transport arrangements along with Mandarin speaking guides and hotel staff were also areas for improvement.



Some millennials don't want a mirror opposite the bed compared to the generation of their parents. They also wouldn't like to stay at the end of a corridor and are more reluctant to stay on a fourth or seventh floor, with words for both numbers having associations with death.

INVESTMENT ADVICE

We often provide advice on the pros and cons of investments, in other words, how to make money.

I read an article recently which perhaps made the approach to making money a bit simpler ... there is an old saying that there are only four ways to make money:

- Make it
- Marry it
- Inherit it
- Steal it



All viable options although the last one can, in theory, come with some action from the state!

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MONDAY BLOG ... "THE PACESETTER"

Every Monday we post some thoughts on the home page of our website. It contains fresh thoughts for the week, the weekend just gone and is a bit left field.

So, if you didn't know about it, you do now. Be sure to visit our website and take some time also to view all the other material we have for your interest.

We guarantee there will be something to catch your interest!



BAD MOOD LIFTS WORK RATE FOR EXTROVERTS

Feeling blue can help some people to focus, manage their time and better prioritise tasks, research suggests. In fact, researchers found being in a good mood may hamper time keeping and organisational skills.

However, this was only true for extroverts. Introverts ground to a halt when they felt gloomy. The study, carried out by the University of Waterloo, in Canada, explored how 95 people coped with demands and stresses daily, depending on their mood.

Research focused on emotional reactivity, the sensitivity, intensity and duration of emotional responses associated with our mood. These are the defining factors that influence our ability to carry out tasks.

They categorised the group in terms of emotional reactivity, high reactive people and low reactive people.

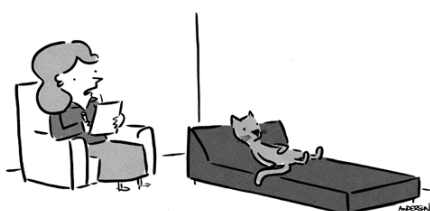
High reactive people (extroverts) have rapid, intense and enduring emotional responses, while low reactive people (introverts) are more relaxed.

In the research, extroverts performed better on executive function tasks when they were in a bad mood.

Meanwhile, low reactive people showed the opposite effect, their abilities would grind to a halt when they were in a bad mood.

Results showed that there are some people for whom a bad mood may actually hone the kind of thinking skills that are important for everyday life.

It also showed that emotional reactivity differs from person to person starting at a very early age and that these individual differences have implications for mental health later in development.



"You know, research suggests that purring, even if you're in a bad mood, can help you feel better."

I'M SO BUSY

The phrase "I'm so busy" has become a badge of honour for many of us, glued as we are to our smartphones and tablets, constantly starting at our laptops or filling our working day with meetings.

Futurist, Ross Dawson, wrote recently "we are getting closer to the point where we consume more media than we have waking hours in the day, as we use multiple media simultaneously."

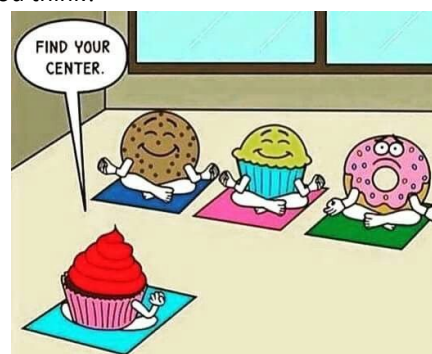
But is it possible to give adequate attention to two things at once? Are we multi tasking or multi failing? While we constantly fill our lives with activity, what is happening to our brains and our wellbeing?

In response to this, the mindfulness movement has been rapidly embraced by the corporate world as an antidote to escalating stress and anxiety in our working life. But is mindfulness just another trend to follow, like eating at the latest restaurant?

Instead of filling up our calendars with another activity would we be better off walking the dog, taking the kids to the playground, listening to music, reading a book, or simply sitting in the park doing nothing at all?

Mindfulness involves learning to pay attention to the present moment rather than worrying or dwelling in the past. It also involves developing an attitude of friendliness towards yourself as opposed to criticism or judgement.

What do you think?



USING INHERITANCE TO REDUCE THE MORTGAGE

If you want to pay down some of the mortgage, reach agreement with your partner as to how all your assets will be divided if you split up, including the fact you want to retain sole ownership of your inheritance.

Get a lawyer to document what you both agree to in a Contracting Out Agreement (COA).

This governs how your property will be divided if you separate, Without a COA in place, the Property (Relationships) Act dictates what you are legally entitled to in a separation.



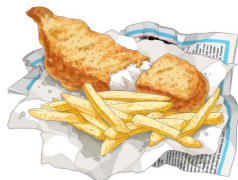
FISH AND CHIPS MORE EXPENSIVE THAN 10 YEARS AGO

About 1.7 million New Zealanders drop into their local fish and chipper each month. Tourism New Zealand even has a guide for tourists to try out the country's best fish and chip takeaway shops.

In June the price of the classic kiwi takeaway was the highest it had been in nearly a decade. The average price for one fish and one scoop of chips was \$5.33 in June 2009 and last month it was \$6.68.

According to a Nielsen report last year on fast food, fish and chips dominated the list of Kiwi's favourite fast food option, beating McDonalds, KFC and Sushi. The report says 27% of the country are regular fast food consumers, that's eating it more than five times a month. Fast food is a particular favourite among millennials and the age group collectively spends about \$33 million on takeaways a month.

Stats NZ Prices Manager, Matthew Haigh said the increase in the minimum wage may have contributed to price increases for these items. "Of every \$100 that Kiwi households spend on food, about \$26 goes on takeaways and eating out," Haigh said.



STANDING DESKS COULD INCREASE LIFE EXPECTANCY

Researchers say the introduction of sit-stand desks has the potential to reduce absenteeism and improve productivity. The study published by Australia's Deakin University showed that standing at work contributed to higher life year gains and higher health adjusted life years.

Lead researcher Dr Lan Gao said spending excessive amounts of time sitting at a desk was associated with serious disease such as obesity, type 2 diabetes and heart disease. "Adopting this workplace intervention also has the potential to reduce absenteeism and improve productivity", Gao said.

The introduction of sit-stand desks, alongside associated supports, is a cost effective and innovative way to promote the health of a workforce. The study found the net cost of providing workers with sit-stand desks was about AU\$378 per person.

However, some studies have cast doubt over the health benefits of standing at work. Researchers at Exeter University in the UK followed more than 5,000 people over a 16 year period and found that sitting down was no worse for you than standing, providing you had regular exercise.

Australia's National Health & Medical Research Council said there currently wasn't enough evidence to make a recommendation on the specific duration of sitting or lying but recommended breaking up time spent doing either as often as possible.



FOREIGN BUYER BAN

On 15 August 2018, the Foreign Buyer Ban was passed into law. The rationale for the Government bringing this into law was to help cool property prices and make it easier for New Zealanders to get into the property market. Currently, foreign buyers make up approximately 3% of all property sales. However, there are some exceptions to his law:

- People from Australia and Singapore will be exempt due to the Free Trade Agreements that New Zealand has with these countries.
- New apartments in large developments and multi storey blocks will be exempt.

There are however various concerns on the effect of these rules which include:

- Housing takes a significant amount of capital and we don't have a lot of that locally.
- Property development is becoming riskier so banks require a certain level of pre sales. By excluding foreign buyers it's going to be harder to achieve these pre sales which may result in developments not going ahead.
- Foreign buyers tend to focus on new developments (rather than existing property) so they are important in addressing the housing shortages.

Foreign buyers are less likely to see New Zealand as an attractive investment due to the additional hoops they will now have to go through. There are obvious pros and cons to the ban, hopefully the ban has the desired effect of increasing house affordability for New Zealanders.



DID YOU KNOW?

Six Kiwi culinary classics made it into the Lonely Planet travel guide's Ultimate Eatlist which ranks the world's top 500 food experiences.



Crayfish in Kaikoura was judged the sixth best food experience in the world and the best in New Zealand. Whitebait fritters, hangi, the Hokitika Wild Foods Festival, pavlova and manuka honey also made the cut.

The world's ultimate food experience was deemed to be pintxos in San Sebastian, Spain. Curry laksa in Kuala Lumpur came second, and sushi in Tokyo third.

LIFE WITHOUT PLASTIC BAGS

Can we cope? Can we break our single use plastic bag habit? Are there more important things to worry about in our community than the plastic bag?

What's going to be the replacement, stand in?

Dog owners ... try the switch to bread bags for picking up the poo!



PERRIAMS MINI OLYMPICS

On Friday 31 August we held a Mini Olympics here at the office. The events were:

- Darts
- Mini Hoops
- Mini Putt
- Scoop The Hoop
- Taste Off



Congratulations to Kelly D who took out the gold medal. Here is the podium results ...

3rd Place	56 Points	Oliver & Sally
2nd Place	57 Points	Matt
1st Place	60 Points	Kelly D



STAFF NEWS

After 14 years of loyal service to Perriams we are sad to farewell Kelly Snell. Kelly joined Perriams in 2004 as Warren's Personal Assistant and in more recent years has been our Tax Administrator.

On Friday 7 September we farewelled Kelly in style with a limousine ride from work and a tour around the city. We wish Kelly all the very best for her new role ... she will be missed!



And we like continuity so we have replaced Kelly S with another Kelly! Kelly D, one of our existing Accountants will take on the Tax Administrator role.

KIWISAVER ... 5 KEY FEATURES OF CHANGES

The following apply from **1 April 2019**



- Additional KiwiSaver contribution rates of 6% and 10%.
- Maximum contribution holiday to be reduced to one year.
- Contributions holiday to be called "savings suspension."

The following applies from **1 July 2019**

- Removing the lock in period of five years, which currently affects members who join between the ages of 60 and 65.
- The lock in period is to be removed because the kick start \$1,000 contribution has gone. Those who have joined KiwiSaver over the age of 60 will remain locked in.

The average KiwiSaver balance is around \$15,000—\$16,000 with the average fees paid of around \$150 - \$160 per year. 2.9 million people now have KiwiSaver accounts with 45% of them in cash default conservative funds. So many savings are clearly in the wrong fund. We hope all our clients are in the right fund.

AML/CFT ACT

From 1 October 2018 we are required to put in place increased due diligence on client identity.

In August 2017 the Anti-Money Laundering and Countering Financing of Terrorism Amendment Act was passed into NZ law, and included the accounting profession from 1 October 2018.

To comply with this legislation, we are now required to put in place increased due diligence on client identity. This means that for you, our clients, should the nature of your work change, we may need to obtain further verification of identity to be held on our records.

Changes that may require us to carry out due diligence under the Act may be as simple as changing from a salaried job to your own business activity, or a change in trustees of a family trust, or a change in company shareholding.

We will be in contact with you if we need to obtain further information. If we contact you to request identity documents, please know there is a definite and legal requirement for us to do so, otherwise we wouldn't be doing it!



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