

We Are A Winner – Well Almost!

Grosvenor Financial Services provides us with back office research and IT platform services for our Financial Planning Division. As our KiwiSaver clients will know, they host an excellent website, www.nzkiwisaver.co.nz which provides easy access for members to view their KiwiSaver Accounts.

Grosvenor Financial Services is a New Zealand owned and operated company with offices in Australia. The company invests almost \$1.5billion across New Zealand and Australia on behalf of 65,000 savers.

Annually in November, Grosvenor host a Conference and an Awards Dinner for a large number of



Tim and David receiving the award from Allan Yeo (CEO of Grosvenor Financial Services Group Ltd)

advisors from associated Financial Planning and Accountancy practices throughout the country. We are delighted to let you know that this year we were awarded the 'Runner Up KiwiSaver Practice' for the 2008 year. We are very proud of this award, given that it is not only based on numbers, but on accuracy of information and innovative ideas from all the staff at Bright Wild & Thomas Ltd.

In this uncertain financial environment, if you would like to talk about the benefits of a diversified Portfolio, or have not yet done anything about KiwiSaver, please give David a call.

Christmas Hours

Our office will be closed Wednesday 24 December for Christmas and reopen on Monday 12 January at 8.30am.

The team at Bright Wild & Thomas wish you all a very Merry Christmas, a safe and happy holiday season, and a very prosperous New Year.

Staff News

Martin Lee

Martin joined Bright Wild & Thomas in May 2008. Martin is a qualified Chartered Accountant, and has worked in the accountancy profession since his graduation from Waikato University in 1991. Martin has wide experience in Accountancy and Information Technology. He specializes in IT consulting, including the selection, implementation, and support of accounting systems. Outside work, Martin's main interest is karate. Martin is married to Angela, and they have two daughters, Elena and Natalya.



Jany-Lee Robinson

Jany-Lee joined us at Bright Wild & Thomas in April of this year, initially on a casual basis, whilst she continued her studies towards a NZ Diploma in Business. Jany and her family immigrated from Namibia in 2004. She attended Lakes High School for her years 12 and 13. On leaving school at the end of 2006, Jany spent one year fulltime study

at Waiariki Polytech, where she now studies part-time. In her spare time, Jany likes to mountain bike.



Juanita Preece

Juanita started way back in 1993 with McCallum Spurdle & Bright, enjoying 7 fantastic years before leaving to raise her two boys Gordon 8, and Patrick 6. Juanita and her husband Mark, have spent the last 2 years living in Whangamata.



October 2008 Tax Changes

Legislation has been passed changing thresholds and rates for personal income tax for 2008/09 tax year, and subsequent years.

As the new rates became effective 1 October 2008, part way through the tax year, a composite schedule will apply for the 2008/09 year. The composite rates for the full year are as follows :

Income Range	Composite Tax Rate Applied
\$0-\$9,500	3.75%
\$9,501 - \$14,000	16.75%
\$14,001 - \$38,000	21.00%
\$38,001 - \$40,000	27.00%
\$40,001 - \$60,000	33.00%
\$60,001 - \$70,000	36.00%
\$70,001 and higher	39.00%

We will adjust your future provisional tax notices to take these into account.

Australia Super Tracker

If you are now living in New Zealand and have previously worked in Australia, and contributed to the ASG (Australian Superannuation Guarantee) system, there may be a chance that you have "lost super money" still in Australia.

Around A\$15 billion of unclaimed superannuation savings still sit in holding accounts in Australia, of which it is believed up to 25% might belong to New Zealanders who have returned home.

With the advent of KiwiSaver, both the New Zealand and Australian Governments, are currently working on allowing the transfer between ASG and KiwiSaver Schemes.

Through our association with Grosvenor Financial Services, and their KiwiSaver Scheme, we are able to help find lost super money, in readiness for the proposed legislation implementation mid 2009.

If you would like to use this service, please contact David at this office. He will require your Australian tax file number. More information can also be obtained from the website www.nzkiwisaver.co.nz

Xero

As you may know, at Bright Wild & Thomas, we largely recommend either Banklink or MYOB Accounting Software solutions.

A more recent release in the market place is an online accounting system called Xero. Xero features a full accrual accounting system including, cashbook with automated daily banks feeds, invoicing, debtors, creditors, GST and reporting. This is a web-based application, so all you need is your login and you can access all your financial data from any internet connection in the world. Every enhancement to Xero is free and available instantly without the need for purchase or installation.

It provides a secure platform for business owners to collaborate with their accountants and business partners in real-time, as you can provide us with an online login to view data. We can also assist you with setting up a Chart of Accounts that links to our codes for integration.

For more information, or to try Xero go to :

<https://www.xero.com/signup/>, or get in touch with Martin at our office.

What Will Proposed Tax Changes for Life Insurance Companies do to your Premiums?

Draft legislation has been introduced reforming taxation for Life Insurance Companies, and this is expected to be passed into law early next year. This will undoubtedly result in higher levels of tax paid by Life Insurance Companies, and will ultimately lead to higher insurance premiums on policies subject to the new rules. The proposed changes should not impact directly upon other policies, for example,

Disability or Trauma Policies, but apply only to life insurance (both Term Life, Whole of Life, and Savings Products with life risk attached).

Those clients that have annually reviewed life insurance premiums will know that the premiums go up every year, and as you get older, these premium increases may mean that you have to cancel your policy for affordability reasons, at the very time when you are likely to need it most. But it doesn't have to be that way. You now have the option to purchase a Fixed Rate Policy, which means that the premiums are frozen and guaranteed for a period of time, perhaps to age 65, or even age 80.

If you would like to review your current life insurance needs, or consider a set premium for the life of the policy before prices increase, please contact David at this office as soon as possible.

Land Transactions

Significant changes are being made to the associated persons rules. This will effectively widen the scope and risk of association, increasing the likelihood of making previously non-taxable land transactions, taxable.

While all land currently held will not be affected, any new purchases made after 1/4/09 will be caught.

It is therefore imperative that you contact your tax advisor if you are thinking of buying land after this date so that we may advise you of the best ownership structure for that purchase.

Compliance Threshold Changes

The Government is currently reviewing proposals to change existing taxation thresholds in an endeavour to reduce compliance costs for many small and medium enterprises. It is anticipated that the changes will become effective from the 1st April 2009 and a summary of these is set out below:

Compliance Requirement	Current Threshold \$	Proposed Threshold \$
PAYE The requirement to file two returns per month.	100,000	250,000
FBT Filing of returns annually if their total PAYE deductions are less than. There will be extra concessions where the company is closely held (fewer than five shareholders) and there are less than two vehicles.	100,000	250,000
GST Registration Where turnover is greater than the threshold must be GST registered.	40,000	50,000
GST Filing Period The level of turnover for a 12 month period where six monthly filing can be adopted.	250,000	500,000
USE OF MONEY INTEREST (UOMI) Individual taxpayers are not charged interest where provisional tax is based on residual income tax and uplift This only applies to individuals, not Companies or Trusts.	35,000	50,000
Trading Stock Where trading stock is of low value can use opening value for the current years closing value.	5,000	10,000

In addition to these there are proposed changes to certain expenses such as legal fees that may be claimed up to \$10,000 before requiring a distinction between capital and revenue items. Currently, all fees must be analysed. Similarly, in respect of entertainment expenses the proposal would allow a deduction of a certain amount before having to account for non-deductible items. The level has not yet been set.

We see the threshold increases for GST and PAYE especially to be a welcome improvement, and may assist many medium sized business clients.

PROFILE

Geyser Community Foundation ***Unique In Rotorua***



Recently we had **Bill Cleghorn** come and visit us and tell us about **Geyser Community Foundation.**

The Geyser Community Foundation is a local initiative that provides a simple, effective and long lasting way in which individuals, families, companies and organizations can give gifts or leave legacies to support local causes which in turn benefit the Rotorua community.

The Foundation is unique in that it is the only organisation in Rotorua established solely to seek legacies and gifts from throughout the community, invest those funds and distribute the returns from those funds back into the Rotorua community either to named beneficiaries, or to beneficiaries chosen by the Foundation.

Rotorua's newest Charitable Trust, the Geyser Community Foundation has received endorsement from Stephen Tindall,

founder of The Warehouse and well known philanthropist.

Stephen Tindall says "the idea of a locally based community trust like the Geyser Community Foundation is great because it promotes and supports charitable giving from Rotorua people and organisations which is in turn put back into the Rotorua community to provide financial assistance to help build a better community for generations to come".

We are proud that Jeanne Bright is involved as a Trustee of this foundation.

If you are interested in learning more about the Foundation, Bill Cleghorn is very happy to meet with you to discuss or you can visit their website www.geysercommunityfoundation.co.nz

Alternatively, like he did for Bright Wild & Thomas, Bill will come and talk to your organization and tell you about the great benefits of the Geyser Community Foundation. You can contact Bill on 0274 909 786 or bill@geysercommunityfoundation.co.nz