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Provisional Tax Reminder

The second provisional tax payment for the year ended 31 March 2013 is due Tuesday 15 January 2013. This applies to those taxpayers who pay GST on a two-monthly basis or for those individuals who are not GST registered.

If you don't know how much provisional tax to pay please contact us **before 21 December**.

GST Due Reminder

GST for those who pay GST on a 2 monthly basis is also due for payment by 15 January 2013. This is the GST for the 2 month period ended 30 November 2012.

Because of the Christmas and holiday period it is often easy to forget these payments. But Inland Revenue charges interest and penalties for late payment so we'd recommend that you set up the payments via internet banking for payment by 15 January (or post date a cheque for that date) before Christmas.

Lessons from Ross Asset Management

There are some key lessons from the unfolding events relating to Ross Asset Management:

1. If it seems to be too good to be true then it probably is.
2. Invest in what you understand. If you don't understand what's going on then seek independent advice ie not from the same financial adviser.

3. Never delegate responsibility for your investments – keep an eye on them.
4. Diversify your investments. This means you do not want all your eggs in one basket. A mix of fixed interest term deposits and growth shares depending on your age is appropriate.

This case highlights the confusion still surrounding the financial advice industry. With certified financial planners, authorized financial advisers, registered financial advisers etc it is difficult for members of the public to know who they should be seeking advice from.

And after the finance company collapses many had expected the FMA to be the regulator of everyone in the financial services industry. This case highlights that registration of advisors does not necessarily protect your investment.

Transferring Australian Super to NZ

Many thousands of New Zealanders have compulsory superannuation contributions locked into superannuation schemes in Australia since the ability to bring them home to NZ was closed in 1999.

However from July 2013 superannuation funds held in Australia may be transferred to KiwiSaver funds in NZ. The transfers will be exempt from entry and exit taxes in both countries but any funds transferred from Australian schemes cannot be used to buy a first home.

One sticking point may have been the lower retirement age in Australia as super scheme funds can be withdrawn at age 60 in Australia but KiwiSaver funds can only be drawn out at age 65 in NZ. Under KiwiSaver rules however, savings transferred from Australia will be able to be withdrawn when members reach the age of 60 as long as they have retired.

Update on Law Commission Review of Trusts

The Law Commission has now released six issues papers since November 2010 as part of its review of trust legislation in New Zealand and has just released its preferred approach.

This preferred approach does not include registration of trusts on a national register or an annual return as originally expected and indicated. Rather the Commission wishes to create a new trusts act with the legislation to focus on clarifying the role and responsibility of trustees, broadening the ability for beneficiaries to apply to the court to have trustee decisions reviewed, but at the same time expecting that the clarification of the trustee's role and responsibility will reduce the need for lengthy and costly court cases.

The Commission is seeking feedback on its preferred approach before releasing a final report and recommendations in June 2013.

Changes are not expected then for a couple more years and it is unlikely that there would be significant changes for well run trusts.

New Bundled Services Packs

From 1 April 2013 we will be providing optional bundled services packs. These will consist of a bundle of services eg financial statements and

income tax return, GST returns, management reporting, meetings, ACC review and management, Xero subscription etc where you can choose the bundle of services you would like for an agreed monthly fee.

These are designed to give you more certainty and to ease your cashflow.

We'll let you know more in the new year and they will be highlighted on our website.

Our news

Many of you will have met Barb McGirr, our practice and office manager. With growth in the firm over the last year we have increased the hours for this role but Barb has decided (understandably) that with young children she doesn't want to work more hours so she will be leaving us at Christmas. We thank her for her input over the last three years and wish her all the best in her new role.

We will be advertising for a new practice/ office manager later in January so if you know someone who would be perfect please refer them to our website in the new year for further details.

And congratulations to Baubre who was made a Fellow of the New Zealand Institute of Chartered Accountants last week in recognition for both the contribution she has made to the profession and to the community over her career.

The office will be physically closed from 4pm Friday 21 December 2012 and will re-open on Tuesday 22 January 2013. However you will be able to email us during that period.

We hope you all have a safe and happy Christmas and we look forward to catching up in the new year.