

Dowse Murray Chartered Accountants newsletter number 61  
June 2016

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## Newsletter: June 2016

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### Welcome Dina

We welcomed Dina Zaia to our team last month.



Dina is a Chartered Accountant with a BCA majoring in accounting and commercial law from Victoria University of Wellington. She joins us after spending 7 years in financial accounting and business advisory for Curtis McLean and Deloitte.

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## **Audit insurance**

If you are a client of ours that we have done annual accounts or tax return work for you may have received a letter from us offering you audit insurance. In the event that Inland Revenue query or audit your tax returns (including GST returns), or ask for more information about your activities, it covers our fees up to the limit noted in the letter. If you have multiple entities they are all covered under the one policy.

This is the first time we have offered this to our clients, in the past we would have said the likelihood of IRD auditing a client was very low so we haven't felt there was any value to audit insurance. However over the last year or so we have noticed a big increase in their activity and it is common now for them to request more information about a client and detailed records - who they target seems to be quite random.

If you haven't accepted or declined the offer you will receive one more followup letter in the next week or so. This insurance is optional - it is entirely up to you if you take it up or not, we just wanted to make sure all our clients had the option.

If you haven't received a letter and are interested in the insurance (generally the cost

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## Budget update

Most of the major changes affecting business owners were announced pre-Budget and these were outlined in our last newsletter. These included raising the safe harbour threshold from \$50,000 - \$60,000, introducing an “accounting income method” that will allow taxpayers with turnover of less than \$5m to pay provisional tax monthly or two monthly based on actual income according to your accounting system, phasing out the 1% monthly late payment penalty, allowing contractors to choose their own withholding tax rate, and to allow Inland Revenue to share serious tax debt information with other agencies such as credit reporting agencies and the Companies Office.

This meant that on Budget day there were no surprises for businesses but with expected surpluses most commentators are expecting some tax cuts for middle income earners in next year’s election year Budget. We’ll keep you posted.

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## Mileage rate 2016

Inland Revenue has conducted its annual review of its mileage rate and has decided this year to reduce the mileage rate to 72 cents per km.

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## ANZ and Xero

If you have trawled around our blog you may have come across long and loud complaints about ANZ's online banking system and integration to Xero (<http://www.dowsemurray.co.nz/blog/2013/10/come-on-anz/> and <http://www.dowsemurray.co.nz/blog/2015/06/whats-wrong-with-this-picture/>).



Online used old technology that required Java software to be installed and kept updated on clients PCs and didn't support Chrome, and the bank feeds for ANZ credit cards in Xero were unreliable.

We complained so much ANZ invited Martin in last year to talk to the developers and give feedback on a project underway to update ANZ Direct Online. They also said they were working on bank feeds for credit cards.

The good news is ANZ Direct Online is updated now, and new

direct bank feeds for ANZ credit cards are available. If you have an ANZ credit card in Xero we will be in contact over the next few weeks as we convert them to the new direct feed.

That means the least favoured bank position at Dowse Murray is no longer held by ANZ - ***well done ANZ!***

Now our least favoured bank (and sadly the one we bank with) is Westpac. It is the only major bank in New Zealand that doesn't have a good bank feed to Xero for credit cards. What is even sadder is that it appears (correct us if we are wrong Westpac) that they have built the direct feeds but won't turn them on as they can't agree pricing with Xero (Xero pay the banks to use the feeds).

***Come on Westpac, get your act together!***

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## **eSigning**

We have been paperless for a few years now but Inland Revenue are not and still require your signature on tax returns. It is a hassle for you, our clients, to print/sign/scan and email the pages back to us, and for us to make sure it all happens.

This is about to change with legislation going through parliament to allow Inland

in them that will allow you to electronically sign them and email them back to us. No more print/sign/scan!

With luck it will be in place before the end of this year.

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## **Tech corner - Google has solved the photos problem**

### **It really is brilliant and everyone should use it!**

The photos problem - you take lots of photos on various phones and cameras and if you are human rather than a machine then you will have copies all over the place (PCs laptops, iCloud, Dropbox, USB hard drives and USB sticks) and they may not be backed up - actually they probably are not backed up.

- If your PC/Mac/Phone/USB device dies or you have a fire do you lose irreplaceable photos?
- How do you find a photo - you know you took it but where is it?

Google have solved these problems and the solution is easy to use, mostly bullet proof and free - its called Google Photos <https://www.google.com/photos/about/> and it works like this:

You go to the [link](#) and follow your nose. Download the app onto the devices where your photos are (PC/Mac/Phone), point it at your photos and let it go. If you have a lot of photos it can take many hours and at the end of it all your photos will be uploaded to google photos and they will be searchable and shareable.

There are just a couple of things to watch out for:

- Take the option for high quality uploads (free unlimited storage) rather than original quality (limited storage). The high quality photos are absolutely fine.
- If you have a lot of photos and you are not on an unlimited internet plan it may use your data allowance during the upload - keep an eye on it. If you are on a phone do it over wifi.

At the end of the process all your photos are backed up into the Google cloud - for free - and you can search them from your PC/Mac/Phone.

It takes a few days but Google analyse the photos so you can search on location, date or things like cat, car, beach etc;. You can also find people by clicking on a mug shot that Google generates. The search isn't perfect but it is very good, for example it identified a person in a full face motorcycle helmet taken from 20 feet away. For

on their IT systems). A search of ANZ found nothing but using the term "hotel intercontinental" found it second in the list. No problem finding photos of the late and dearly loved Mr Cat either.



After uploading the photos I removed the apps from all devices except my phone. When I take photos on the phone the Google Photos app uploads/backups them up when I am next on wifi. As a bonus as long as I have an internet connection I can view and search all my photos from my phone, not just those saved on it.

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### **Client profile - Outlooks Environmental Design**

Rosemary Nelson of Outlooks Environment Design has been a client of Dowse Murray for many years and has loved working with Baubre Murray, she is always professional, listens and is incredibly patient when it comes to tax time and points out what I need to know and ways I can improve my business.



The introduction of Xero as Dowse Murray's accounting package has been marvellous and certainly supportive of you the sole trader who isn't always focused on the financial side of how the business is tracking. Xero has just simplified things and I can concentrate on what I do best which is designing gardens and more recently I have added a Feng Shui based service - Equate Aligned Environments, which specialises in holistically aligning your inner and outer living spaces [www.equate.net.nz](http://www.equate.net.nz).

Love the way that Dowse Murray is top of their game when it comes to accounting, which is peace of mind to the business owner and certainly the cost of service is tailored to be affordable.

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## Disclaimer

This information is of a general nature and should not be relied upon for specific situations. If you need advice we are happy to talk to you about your particular situation.

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