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# ACCELERATE

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THE MONTHLY NEWSLETTER FOR GROWING BUSINESSES

## HOW DO YOU DRAW TALENT TO YOUR DOOR?

Getting a job at Google is reportedly 10 times harder than getting a place at institutions like Harvard or Yale. The company employs 7000 people a year, from 3 million applicants.

Google has staff friendly initiatives that attract top candidates. Your business may be a long way from Google, but it can still be known as a good place to work.

At Google, staff are allowed to take a day out of every week to work on a project they think is important. The result? Fifty percent of Google products come from this 20 percent staff time.

Google has various initiatives that help make the company an employer of choice. It doesn't necessarily follow that you should copy what Google does. But it does suggest that being creative in building your business culture may help you to also be an employer of choice.

Becoming such an employer may bring various benefits: applicants are keen to work for you, people envy your employees, you receive unsolicited vacancy inquiries, and your most talented workers stay with your company. All those are good for your bottom line.

How do you achieve that? Well, find answers to more questions, like:

1. "Employer of choice" to whom? Decide the kind of people you want to employ. The answer to the first question leads to the second.
2. What do the people you want, want? A survey of college seniors by the National Association of Colleges and Employers in the US found that, when considering a job, those workers look first for opportunities for personal growth, then job security, then friendly co-workers. "High starting salary" didn't make the top three.

3. What will you do to attract your ideal employees — and keep them? This may require changes to how you do things.

Point 2.) above shows what staff want. But what do those priorities mean for you? It points to a need to be clear about opportunities for staff, for open communication between staff and management, and good relationships between everyone.

Management sets the tone for relationships. Being open and clear about opportunities for personal growth is part of that. In addition, staff quickly pick up on poor relationships between managers, and managers who are cool to staff can hardly be surprised if staff have cool relationships with managers.

The challenge for you may be to separate your business stresses from relationships, and having your approach to relationships come from your heart.

Every employee is different, and that means doing little things for an individual can have a big impact on the person — and cumulatively on your business. But that means building relationships, one by one.

(continued on page 2)

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IRD has good news and bad news on FBT

pg. 2

Business health check

pg. 4

Nations work together to report some account activity

pg. 3

Key Dates

pg. 4

Better control coming over hazardous substances

pg. 4

One US business sends flowers to the employee's spouse on the couple's wedding anniversary, thanking the recipient for his or her support.

Why not ask your staff for ideas they would like to see? Asking is not the same as guaranteeing they will happen – although your team should see some initiative introduced if you take this step.

Some things that may make your business an attractive place to work are:

## 1. PROVIDING OPPORTUNITIES FOR EMPLOYEES

Giving employees the freedom to do interesting work that not only drives your business, but also drives personal satisfaction. Again, that requires that you know your employees.

## 2. HAVING A UNIFIED VISION

Having staff who embrace what you do and how you do it. If you don't have a unified vision that people can decide whether to embrace – or not – you'll have different visions . . . or none.

## 3. NURTURING IDEAS

Creating a listening and sharing business culture – which probably means your staff need to see you listening and sharing.

Becoming an employer of choice may mean acknowledging difficult truths – like how you communicate – and making changes.

But when you have people keen to work for you, you regularly receive unsolicited vacancy inquiries, and your most talented workers stay, you'll have the best workers doing their best work. You'll spend less on recruitment and training, have more experienced staff, reduced stress, and a positive effect on your bottom line.

You may provide company vehicles to some employees. In some cases, the vehicle is a work tool – for example, a ute for a project manager. In other cases, it is part of a salary package.

Whatever the reason, Inland Revenue has good news and bad news.

The good news is that IR has consolidated all its published statements on motor vehicle FBT into one 57-page document with a logical flow, making the topic easier for you to understand. Although that doesn't necessarily mean it's easy!

The bad news is that IRD's views on how FBT applies may, in some circumstances, be a bit contentious.

The new document, according to IRD, should give taxpayers increased certainty in understanding their FBT obligations in relation to motor vehicles, and lead to better compliance.

There is potential for uncertainty over interpretation of some matters, so give us a call if you are unsure about how this may apply to your business.

# NATIONS WORK TOGETHER TO REPORT SOME ACCOUNT ACTIVITY

Tax authorities around the world are increasingly working together to winkle out tax evaders from their overseas hiding places, and who can blame them? Our increasingly interconnected world makes it easier than ever for people to hide money overseas – and evade tax.

New Zealand is one of about 100 nations working together to get rid of hiding places, by operating to the Common Reporting Standard (CRS), which came into effect in New Zealand in July this year.

## WHAT CRS REQUIRES

New Zealand financial institutions now must:

- Review their accounts and identify those held by or for people who live overseas
- Collect particular information about those people or organisations
- Report information to the IRD for exchange with other countries that have relevant agreements with NZ.

We're not suggesting that if you're a foreign tax resident who has, or controls, an account with a New Zealand financial institution, that you're a tax evader. However, information about your account may be reported to the IRD, and the financial institution may ask you to supply documentation about your account.

If New Zealand has a relevant agreement with the country you live in, IRD may pass your information on to your home authorities – and those authorities may do likewise with Kiwis living in their country.

In some circumstances, family trusts which engage providers to manage their investments may have reporting obligations under CRS. It's best to talk to us if you have any questions.

## IRD BLESS AMERICA

CRS is a bit like the United States' Foreign Account Tax Compliance Act (FATCA), but it's an international initiative. FATCA requires US citizens and tax residents to report their worldwide income to the Inland Revenue Service (IRS), regardless of where they live.

It also compels foreigners with accounts in the US to pay the tax they're supposed to. All non-exempt foreign financial institutions must register with the IRS. Rigorous stuff.

Although all foreign financial institutions had to register with the IRS almost three years ago, there was uncertainty about whether, and how, FATCA applies to New Zealand family trusts without an obvious US connection. Which leads to our next question . . .

## DOES A FAMILY TRUST HAVE US OBLIGATIONS?

A trust will have obligations under FATCA if it is a foreign financial institution. There are four

categories of such institutions, but the most relevant one for family trusts is Investment Entities. The Inter-Governmental Agreement between the US and New Zealand defines what these are.

That said, most family trusts don't meet the Investment Entity criteria because they do not have "customers" or are not "in business".

## KEEPING ACROSS YOUR CRS OBLIGATIONS

CRS has due diligence and reporting obligations, especially about:

- Tax residency and account certification
- Persons connected to a trust, if you manage trusts and trust accounts
- Acting as a corporate trustee for NZ trusts or NZ foreign trusts.

If you're thinking there are complexities and technicalities to FATCA and CRS, you're right! Happily, we can help. Get in touch if you have questions.

# BETTER CONTROL COMING OVER HAZARDOUS SUBSTANCES

Fifty years ago, farmers and others sprayed toxic chemicals onto weeds in blissful ignorance of the need for Personal Protective Equipment.

How things have changed! Today, regulations govern the handling and use of all hazardous substances. And, like many other safety matters, those regulations are being constantly reviewed.

If work brings you or your staff into contact with hazardous substances, from 1 December you'll have to follow the new hazardous substance rules under the Health and Safety at Work Act. The Environmental Protection Authority (EPA) will also have a new enforcement responsibility in relation to importers and manufacturers.

## WHAT YOU WILL NEED TO DO DIFFERENTLY

You will still work with the EPA to apply for new hazardous substances approvals. The EPA will still manage applications for new approvals – whether for new substances, or for particular persons – but the safety rules move from the EPA into the Health and Safety at Work Act that will be implemented by WorkSafe. WorkSafe will then decide if the requirements in the HSW HS regulations will manage the risks to people in workplaces.

Under the new regulations, fewer substances will require certified handlers. However, handlers will get more training, better information and be subject to more robust competency requirements.

When the new regime comes in to effect, all currently approved hazardous substances will remain approved. They will also retain the same approval number.

## KEY TAX DATES NOVEMBER 2017

DATE	CATEGORY	DESCRIPTION
6 November	PAYE	Large employers returns and payments
20 November	PAYE	Small employers return and payment Large employers return and payment
20 November	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during October
20 November	NRWT / Approved Issuer Levy	Payment and return for October
28 November	GST	Return and payment for October

CONTACT OUR TEAM

[Insert your contact details here]