

TAX CHANGES

The second round of tax changes from the 2010 Budget that came into effect this month is expected to make businesses more competitive and further rebalance the economy towards savings and exports.

A cut in the company tax rate from 30 per cent to 28 per cent, removing building depreciation and changes to LAQC's/LTC's are some of the more debatable points in these recent changes.

Karen Tobeck, a chartered accountant and director of Monteck Group Ltd believes the change in the company tax rate will give any business that retains profits within its company (reinvests earnings) as opposed to returning all profits to its shareholders, an additional 2% of net profit before tax.

"This may be used to further grow the business," Ms Tobeck says. "For most small businesses, who distribute all profits to their shareholders, the real gains were made with the drop in the top tax rate from 38c to 33c."

Ending the ability of landlords and businesses to claim depreciation on buildings with an estimated useful life of 50 years or more has the potential to affect the property investment market but it is to be seen whether rental properties fall in price and rents go up or changes take some other direction.

Ms Tobeck says building depreciation was in most cases a timing issue. "Removing the building depreciation claim was a reasonable step by government. But at the same time, building owners need to make sure they have a good split between chattels and buildings as chattel depreciation is still available and does not usually result in tax being paid back."

Revenue Minister Peter Dunne also believes ending depreciation tax breaks on buildings made sense. "On average, New Zealand buildings actually increase, rather than decrease, in value over time," he says.

Regarding the changes to LAQC's/LTC's, in most instances the feeling is that this has not resulted in a major change to taxpayers.

"Although the changes result in profits being distributed to shareholders as well as losses, it is possible that many LTC's will not retain this status once they are profitable," says Ms Tobeck. "From a practical point of view, for most rental property owners the changes have not made a great deal of difference."

Air NZ most desirable

Air New Zealand has been voted the country's most desirable employer by more than 4000 jobseekers and consequently became the first recipient of the inaugural 2011 Randstad Awards, which recognise the nation's best workplaces.

The announcement was made at a gala dinner at The Langham Auckland and was received with surprise and delight by Air New Zealand Group General Manager People, Vanessa Stoddart.

Randstad CEI (NZ and Australia) Fred van der Tang said it was fantastic to see such an innovative and distinctly Kiwi company take out this first award in New Zealand.

He said the vote of confidence from jobseekers affirmed the country's support of its national airline, which topped eight of the 10 'attractiveness' categories surveyed.

Providing feedback across metrics such as salary, job security, work/life balance and work flexibility, respondents perceived Air New Zealand to offer the best salaries, career progression and work/life balance opportunities as well as training and strong management.

Other strong contenders for the award were Pernod Ricard, Television New Zealand, Cadbury and Beca International.

The ASB Bank took out top honours for being the company perceived to offer the best long term job security in New Zealand.

Based on the perceived attractiveness of New Zealand's largest companies by employee size, the awards were first launched in Belgium in



From left, Minister for Social Development and Employment, Hon Paula Bennett; General Manager People, Vanessa Stoddart; and Randstad Australia and New Zealand

2000. They have since been embraced by other European countries but this is the first time they have moved beyond Europe. Launches into 11 countries are planned.

Broadcaster John Campbell was Master of Ceremonies for the evening and Social Development and Employment Minister Paula Bennett presented the main award.

Green light for business park expansion

The commercial future of Auckland has received a massive vote of confidence with the announcement that Highbrook Development Limited is to proceed immediately with stage one of a \$92 million investment programme at Highbrook Business Park in South East Auckland.

The expansion programme could eventually offer employment opportunities to more than 10,000 people.

Stage one of the expansion will establish the infrastructure for The Crossing, a new town centre precinct, and will also focus on developing 9,800 square metres (almost a hectare) of retail, office and accommodation space including a 62 room serviced apartment complex.

To be built over the next 18 months, the initial construction phase is budgeted at \$43.5 million.



Highbrook Business Park has come a long way since it opened in 2004.

cent) and interests associated with the Fisher Family (25 percent).

Chief Executive Officer, Goodman (NZ) Limited, John Dakin, says now is the right time to proceed with the Highbrook town centre, which had

new town centre is starting, the economy will be responding positively to the massive investment in infrastructure currently taking place nationally."

Mr Dakin says when work com-