

# NEWSLETTER WINTER

Alliott NZ Winter 2020  
Newsletter



Alliott NZ Chartered Accountants &  
Business Advisors

### Message from Greg and Vanessa

We hope that you're well and starting to develop strategies for your business to emerge from the COVID-19 coronavirus lockdowns reinvigorated! As expected, the 2020 Budget has been a high spending one with a deficit forecasted to be \$29.6 billion in 2021. Unemployment is projected to increase significantly, peaking at 9.8 per cent in the September 2020 quarter before recovering thereafter.

New Zealand's real GDP growth rate is projected to decline from 2.8 per cent in the year ending June 2019 to -4.6 per cent in the year ending June 2020. Annual real GDP growth is not forecast to become positive until the year ending June 2022. Read our Budget summary [here](#). Many of our clients have availed themselves of the opportunity of asking us to perform a wider range of duties over recent months – why not discuss with our team the broader range of services and support we offer to help you survive in your business beyond COVID-19 and during this financial year? Have you given serious consideration to:

- Budgets and forecasts for this financial year
- Any additional bank funding required and assistance with loans
- Government subsidies

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Our team can help you put pen to paper or work in a Virtual CFO role - it's up to you. Timing-wise, the next few months offer the opportunity to work on your business as we all know how long the planning and application process can be. Also in our newsletter:

- Wage Subsidy extension
- Two new Alliotts Accountants
- Xero price freeze
- Small business apps for retail
- Hubdoc included in Xero plans
- Reducing staff numbers as a result of COVID-19

We're very pleased to be back working in our Newmarket offices. We are committed to providing a safe, clean and healthy workplace and we are happy to have client meetings in person or via Zoom, so let us know if you have any queries about the topics we've covered.

If you have any questions or queries, please call 09 520 9200 or email [enquiries@allriott.co.nz](mailto:enquiries@allriott.co.nz) to ask for advice that is relevant to you.

Kind regards,

*Greg Millar & Vanessa Williams*

## NZ Wage Subsidy extension

**As of midnight 9 June New Zealand has moved to COVID-19 Alert Level 1.**

This means restrictions on gatherings, hospitality, transport and social distancing have now been removed. Border restrictions however remain.

Applications opened 10 June 2020 for the Wage Subsidy Extension. An employer must have experienced a revenue loss of at least 40% in a 30-day period in the 40 days immediately before the employer applies for the extension, compared to the closest period last year. Other matters to note are:

- If you're applying for an employee for whom you've already applied for the Wage Subsidy, you can't apply for them until their 12 week Wage Subsidy has finished.
- It will cover **8 weeks** per employee from the date you submit your application.
- It will be paid to you as a lump sum at the same weekly rate as the Wage Subsidy.
- If you've given an employee notice of redundancy before you apply, you can't apply for those employees unless the redundancy notice is withdrawn.
- You'll need to agree to certain obligations, such as to:
  - pass the subsidy on to your employees
  - retain your employees for the duration of the subsidy
  - do your best to pay your employees at least 80% of their normal pay
  - take active steps to mitigate the impact of COVID-19 on your business.

If you have any questions on the Wage Subsidy Extension then please [CONTACT](#) us on 09 520 9200.

## Welcome to two new Alliotts Accountants!

We're delighted to welcome new Accountants, Angela and Jane, to the Alliotts team!

Both ladies have a keen interest in assisting our clients with getting the most out of their businesses. Read more at [Our People](#) (photos to follow).

## Xero price freeze

**Xero has advised that their price increase to Xero Starter, Standard and Premium plans that was going to happen on 1 July 2020 is now delayed until further notice.**

Xero aims to make things easier for small businesses and they hope this decision helps with today's challenging conditions.

If you have any questions or need support or advice, please let us know. You'll also find useful tools, information and resources on the [Xero Behind Small Business website pages](#).

During these challenging times, we'll do our best to let you know of any planned price increases at least 90 days in advance to give you time to set up new billing schedules and manage costs and cash flow.

**Talk** with Alliott NZ's Xero Platinum Certified accountants and [cloud accounting](#) specialists in Auckland today on 09 520 9200 if you have any questions about optimising Xero to work in your business.

## Xero small business apps for retail

**Retailers are navigating unfamiliar challenges in our current climate, with many adapting to maintain revenue and keep staff and customers safe.**

Those with physical stores open for business, like pharmacies and supermarkets, have been inundated as essentials rush off shelves, and sometimes run out. While many retailers who've had to close their physical doors are focusing on moving their brick-and-mortar businesses online and working in new ways.

[Xero's app marketplace](#) has a range of tools to set retailers up for success as they work through these challenges and adapt to a 'new normal'. From specialist inventory management systems that can help retailers optimise stock levels and reduce working capital to eCommerce apps that make it easy and cost-effective for retailers to build their own online store – to get up and running with online sales fast.

### Shopify

Now more than ever, unifying your online presence with your retail stores is essential, especially when it comes to inventory management. With [Shopify POS Pro](#), you can generate purchase orders and move inventory between locations based on demand forecasting. Plus, you can get a better understanding of what products are underperforming and why, and then focus on the best ways to sell them. It all works together so you have the flexibility to get your in-store products into your online store with just a few clicks. Then, seamlessly offer local pickup, delivery or shipments from your store to keep your inventory moving and free-up cash flow.

### A2X

A2X helps those using Shopify, as well as selling on Amazon, to get their sales data into Xero. Accounting for these platforms can be tricky. Large marketplaces, like Amazon, often pay periodically in one bulk payment, rather than for each sale, making it hard to figure out when and why you're getting paid. A2X solves this problem by posting Shopify or Amazon store sales automatically to Xero, and reconciling your payouts so you know everything has been accounted for correctly.

### Dear Inventory

Dear Inventory is a specialised inventory and order management platform designed to take time and stress out of managing inventory and sales. It allows products, customers, suppliers, contacts, purchases and sales to be managed within one easy-to-use system.

Along with Xero, it also integrates with Shopify and Amazon, so businesses can quickly get set-up with online sales.

### Vend

Vend is a cloud-based point-of-sale and retail platform. It enables retailers to accept payments, and manage their inventory and customer base. With [eCommerce integrations](#) to WooCommerce, Shopify and BigCommerce, it makes it easy for retailers to operate online. Vend has a user-friendly interface, making it fast to use and easy to learn, and with all data synced to the cloud, it's accessible from anywhere.

To support retailers navigating the challenges of the current environment, Vend has also developed a '[Love local retail](#)' initiative in conjunction with a number of partners, which brings together helpful tips, advice and offers.

### Unleashed Software

With real-time inventory control and reporting, Unleashed Software is a powerful cloud inventory management solution for retailers, manufacturers, distributors and wholesalers. Unleashed makes inventory management easier and more efficient, so retailers can make better decisions in real-time.

Unleashed has also created the [good products marketplace](#), which showcases Unleashed customers – artisanal creators of everything from coffee and wine to healthcare products and clothing – who are 'open for business' online, and would love support in tough times.

[Talk](#) with Alliott NZ's Xero Platinum Certified accountants and [cloud accounting](#) specialists in Auckland today on 09 520 9200 if you have any questions about optimising Xero or its add-ons to work in your business.

## Hubdoc included in Xero plans

**Hubdoc will be included in all Xero Starter, Standard and Premium plans from this week.**

Hubdoc officially joined the Xero family in March. This means we can focus our efforts on making sense of small business financial data – not collecting it.



At Alliotts we use Hubdoc to streamline administrative tasks such as financial document collection and data entry so that we can run our accounting business efficiently. The key benefits of the integration between Xero and Hubdoc are:

- Streamlined data capture
- Real-time financial data
- Organised and verified data

### **Hubdoc is a cultural match for Xero**

Both companies share a vision for delivering innovative solutions that make it is easier for small businesses and their accountants to share data, uncover insights and plan for the future:

### **Easily capture bills and receipts**

With Hubdoc and Xero, manual tasks like document collection and data entry are automated, making bank reconciliation and financial document management a breeze.

*Click [here](#) to watch video*

### **Streamline document capture and management**

Get the tools to quickly and easily upload bills and receipts using a mobile device, desktop, email or scanner so you can access all your documents in one centralised, digital system of record.

### **Reduce manual data entry**

Hubdoc uses industry-leading technologies to auto-extract key data from your bills and receipts and get it accurately into Xero. Say goodbye to manual data entry!

### **Reconcile with one click**

By integrating directly into Xero, Hubdoc turns bills and receipts into accurately-coded Xero transactions, letting you do your bank reconciliation in just one click.

### **Access verified financial data**

Every reconciled Xero transaction has a source document attached so you can verify the data and know the financials are accurate and up-to-date for easy compliance and valuable business insights.

### **When can I access my Hubdoc account?**

From 18 March 2020, there is a link to Hubdoc in your Xero dropdown menu. You just need to sign in with your Xero details and follow the steps to get started.

Talk with Alliott NZ's Xero Platinum Certified accountants and [cloud accounting](#) specialists in Auckland today on 09 520 9200 if you have any questions about the new Xero Hubdoc integration and how it can work in your business.

## **Reducing staff numbers**

**Since returning to work post-COVID-19 lockdown, the news had not been great for employers needing to reduce staff numbers.**

It is therefore timely to advise business owners of seven key points if you are contemplating similar:

### **1. Use a redundancy selection criteria matrix for transparent decision-making**

An employer that has identified a pool of employees at risk of redundancy must follow a fair procedure when deciding who to select from that pool. A redundancy selection criteria matrix can help employers reach that decision, but how can they ensure it is fair? A [redundancy selection criteria matrix](#) sets out the criteria that will be applied in making the selection decision. It is also good to have some written policy on selection issues for redundancy.

Common criteria selected by employers include skills, performance and disciplinary records. Each employee in the redundancy pool is scored against each of the criteria and the employees with the lowest scores are selected for redundancy. The benefit of doing it this way is that it's absolutely clear what's being taken into account and how the decision has been made. If any employees challenge the decision, it's going to be much easier to defend.

### **2. Choose objective redundancy selection criteria**

Employers have discretion over which criteria to choose, with the aim of retaining staff who are most valuable to the organisation. You need to be able to assess everybody against the criteria in an objective way. So you need to choose criteria that are measurable and not just based on opinion.

### **3. Be careful when employees have been absent from work on maternity leave or for a disability-related reason**

Absence on maternity leave, pregnancy-related absence and disability-related absence should all be discounted if absence is included as a criterion for selection. Employers should think carefully about how to score employees on other criteria, such as performance, if they have been absent during the period being assessed. The employer must balance the need not to discriminate against an employee on maternity leave or disability-related absence with the need [not to disadvantage other employees](#).

### **4. Consider the weighting given to long-term and short-term absences**

Attendance records can be included in the selection criteria matrix (discounting pregnancy-related or disability-related absence), but employers should consider [how to score employees fairly](#). One option is to give multiple short-term absences less weight than single periods of longer-term absence. This would reduce the disadvantage to, for example, an employee who has been absent recovering from surgery.

### **5. If scoring employees on their performance, measure this objectively**

Marks from performance reviews or appraisals can be used in the selection process if these have been carried out consistently across all employees in the redundancy pool and assessment is based on objective measures. It's important to come up with a fair time frame over which performance will be assessed: a longer time frame is likely to give a more accurate picture.

### **6. Take disciplinary records into account only if rules have been applied consistently**

Disciplinary records are often included in the redundancy selection criteria matrix.

Employers should ensure that they act fairly if employees are [marked down for having a disciplinary record](#). It is important that disciplinary rules have been applied consistently and employers should be cautious about taking expired disciplinary warnings into account.

### **7. Consult employee representatives on the redundancy selection criteria matrix**

Before finalising the matrix, employers should consult with employee representatives about the criteria on which the selection decisions will be based. If the matrix is approved by the union or other representatives, the employer will be in a stronger position to defend its decisions if challenged by individual employees. It is possible to give different weighting to different criteria, so not everything is judged to be as important, and that could be something to negotiate with employee representatives. The challenges of what lies ahead are numerous. With patience and perseverance and a little luck, we will get through.

These are thorny issues and Ross Henderson, Managing Director and Founder of HR Contracting has the experience and precedent material to guide you through any of these situations. For any questions or further discussion, please contact Ross on 09 630 3451.

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

# NZ Top 30 Accountants, Alliott NZ Ltd.

Take your business to the next level with help from our experienced team of Chartered Accountants and Business Advisors. We would love to hear your feedback and would be incredibly grateful if you could take a couple of minutes to write a quick Google review for us. This will allow us to improve our service and let others recognise the value we provide. Of course we're happy to reciprocate. To submit your review, simply click [here](#).

