

DAA Bulletin

Wine Announcement

Congratulations
Annette Lucas you
are this month's
winner of DAA's
monthly wine draw!

To be in to win next
month simply pay any
invoice within 10 days
of the date issued, it's
that simple!

DAA

CHARTERED ACCOUNTANTS

December's DAA Wine Winner

Congratulations again to
all our winners last
month. We hope you
enjoyed your prizes!



Creating a Better Business in 2015

Here are some top tips for small/medium business owners to ensure you get the best out of your business over the next 12 months.

1. **Send out your invoices promptly** – you will never get paid if you don't send the bill and the sooner it's sent the sooner you will get paid. If you have problem clients that always take too long to pay, ask for payment up front and never be shy about sending clients to a debt collection agency if they don't pay after two or three warnings – you are not a finance company and your clients need to respect this.
2. **Check your financial position regularly** – not just cash in the bank but what your profit to date is, the age of your receivables and payables and what income and expenses are expected over the next month or so to ensure you can cover all outgoings in a timely manner yourself.
3. **Get more help** – if you are trying to run your business singlehandedly you may be spending too long on the tasks that don't earn you any money. It can be extremely difficult finding good employees but if you can find the right person for each job it can help your turnover and profit levels tremendously.
4. **Keep learning** – make sure you keep up to date with all areas of your business to ensure you can promise your clients the best service available.
5. **Focus on your current clients first** – it's always easier to convince someone that is already a client that they need a bit more from you than to convince a new client to jump in headfirst when they don't know you. And if you keep your current clients happy, they should be referring all their friends and family when others have a need for your services.
6. **Take care of yourself** – make sure you find the time to exercise, eat healthily and sleep well. You need to be in top shape to run your business well, motivate your staff and impress your customers! Along the same lines ditch the electronic devices and social media that suck up too much of your valuable resting time – get the rest you deserve and then tackle the next day with gusto.
7. **Plan your day** – make a list in the morning of what you want to achieve that day and mark it off as you go. If you do delay anything until tomorrow make sure it is the first thing you do after any of tomorrow's urgent jobs otherwise you will end up putting it off forever.

We wish you all well for a happy, healthy and prosperous 2015.

The 90 Day Trial Period Cause More Issues Again!

As any client of DAA knows when taking on staff the employment arrangement must be treated with caution especially if you are using the 90 day trial period.

Remember that if you are going down the track of employing staff you must present to the potential employee the terms of employment as a full employment agreement and also a covering letter with the following:

1. The terms on offer are attached.
2. The employee is entitled to seek independent advice on the terms offered.
3. The employee is entitled to a reasonable time to seek independent advice (The Court indicated 3 days, but then said in some cases a longer period may be required).
4. That the employee is entitled to raise any issues arising from the offer.
5. That the employer will consider those issues.

This must be done writing, in advance of the employment commencing and ensuring that the employee does not start until they have considered and accepted the terms of employment by signing and returning the proposed agreement before the start date. If they start work and you haven't done this then they are treated as existing employees and cannot be put on a trial period.

A judgement *Blackmore v Howick Properties Ltd* ARC 37/11, has further clarified the 90 day trial period and the obligations owed to prospective employees under section 63A of the Employment Relations Act.

In this case some of the terms of employment were offered in writing which Mr Blackmore agreed to, thereby activating his personal grievance rights as an employee intending to work, there was no mention of a trial period being a term.

It wasn't until the morning of his first day of work that Mr Blackmore was presented with the formal employment agreement setting out the full terms, one of which was a 90 day trial period. He felt pressured to sign the agreement there and then. The Court ruled the 90 day trial period was unenforceable as at the time that the offer was presented Mr Blackmore was an existing employee and could not be subject to a statutory 90 day trial period.

The Court ruled the employer failed to comply with Section 63A in that they did not present the prospective employee with the full terms of employment in writing, to advise the employee of their right to seek independent advice and sufficient time to do that and then consider any issues the employee may have arising from the offer. The Court decided there was unfair bargaining and took the steps of striking out the trial period.

What is important from this this case? Simply stating there is a 90 day trial period is not enough. You need to follow the fives steps above (based on Section 63A) and that the potential employee accepts employment based on terms offered by signing and returning it prior to starting work.

Changes to Paid Parental Leave

Changes to Paid Parental Leave (PPL) will come into effect on 1 April 2015.

These changes extend the maximum amount payable from 14 to 16 weeks. The changes apply to an employee or self-employed person if:

- the expected date of delivery of their child is on or after 1 April 2015, but the child is born before that date or;
- the child is born on or after 1 April 2015; or
- in the case of adoption, if the date on which the carer assumes the care of the child is on or after 1 April 2015.

Further changes will take effect from 1 April 2016 when, amongst other things, paid parental leave will extend to 18 weeks - aligning NZ with Australia.

Exciting Development

The announcement is getting closer!! Keep your eyes peeled on DAA in the coming weeks as we launch something that is completely unique to our industry!

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