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As we wrap up 2024, we want to say thank you for your support throughout the year. We wish you all a very Merry Christmas and our best wishes for a prosperous New Year. We hope you find some time to enjoy the festive season with family and friends.

FONTERRA PAYOUT INCREASES

For our dairy farmers the recent Fonterra forecast payout increase was very welcome news. The increase, combined with the change in advance rates will see a lot of funds paid earlier this season. This means that cashflows will be looking good early into the new year, however a word of caution is that there are no further increases in the advance rate from January 2025 through to August 2025. Therefore, it is more important than ever to keep those cashflow forecasts up to date to plan for those 7 months of declining cashflows.

As discussed with many of you already, the payout increase also means an increase in provisional tax estimates and some of these figures are rather large. Once again it will be the primary sector that leads the recovery of NZ with increased tax payments in 2025.



Annual leave: Legally, employees are entitled to four weeks of paid leave each year, so set clear deadlines for leave requests to prevent last-minute staffing issues.

Holiday pay: You must pay employees for public holidays if they fall on a regular work day. Keeping employee records and rosters up to date helps ensure accurate payment.

Christmas closures: Plan ahead. You have to give employees at least 14 days' notice before business shutdowns. Employees without enough leave must be paid at 8% of gross earnings since their employment started or their last entitlement to leave, minus any amount paid for annual leave taken in advance if that has been agreed.

Cashing up leave: If you have contractually agreed to allow this, or are otherwise happy to consent to it on a one-off basis, an employee may cash up to one week of annual leave each year. You cannot, however, pressure them into doing this.

Casual workers: Casual employees should be paid an additional 8% on top of their earnings instead of accruing leave: present this clearly on their payslips.

With proper planning, you'll keep payroll on track so you and your team can enjoy a stress-free holiday break.



premises?

Expenditure on entertainment is only 50% deductible for tax purposes. This applies to deductions for spending on food and drink or celebration meals, whether they are on or off premises. There are exceptions — light refreshments for employees, such as afternoon tea, are fully tax deductible.

- **How about hiring items for a Christmas party?**

The 50% tax limitation applies to any expenditure on hiring wait staff, crockery, glassware, utensils, furniture, music, or entertainment associated with a Christmas party.

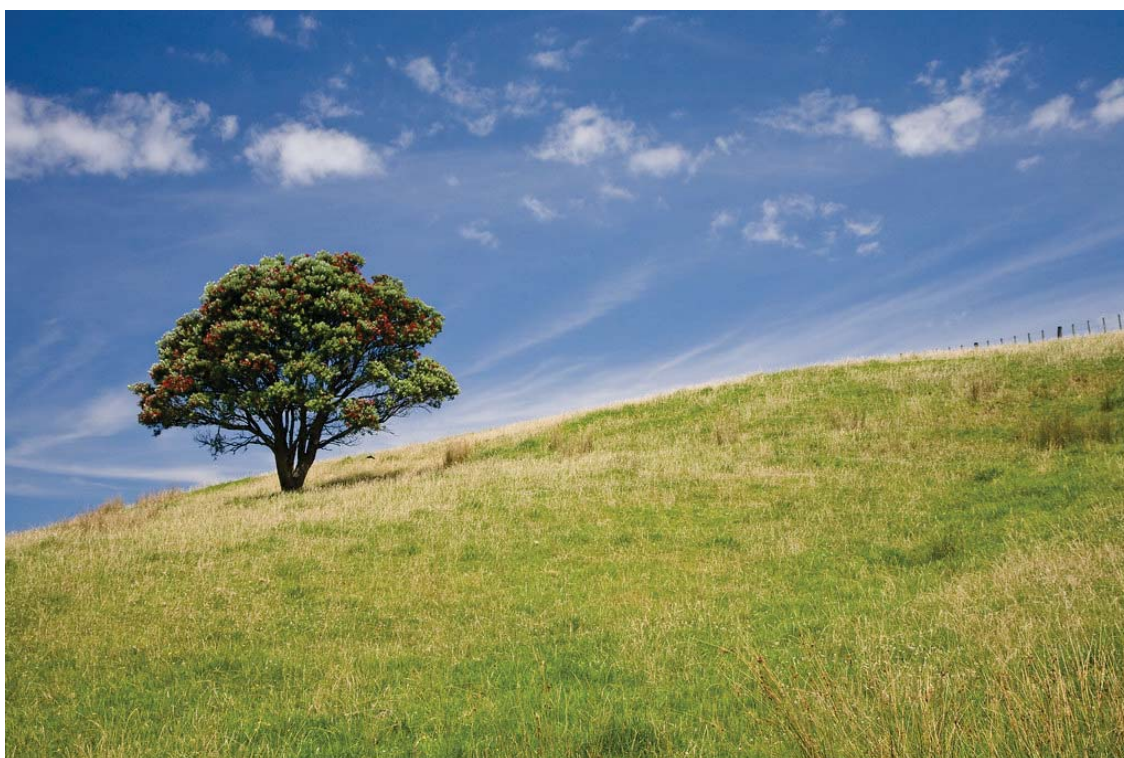
- **If I take my clients or staff out for Christmas lunch, is it tax deductible?**

The cost of taking colleagues out for an end-of-year lunch or dinner would be 50% tax deductible.

- **Are my gifts to staff and clients tax deductible?**

The cost of gifts other than food or drinks is generally tax deductible. If you buy food, drinks, or even supermarket vouchers, this expense is only 50% deductible.

Remember, gifts to staff must be under \$300 per quarter (including GST) to be fully tax deductible. If the cost exceeds this amount, or if total gifts or discounted services to staff for the year exceed \$22,500 FBT will be payable to Inland Revenue. In this instance, costs can still be claimed.



FARM FOCUS VAULT

You may have seen a new icon appear on your farm focus screens recently.

Farm Focus Vault is a place where you can keep important information for your farm business. This might include lease agreements, bank statements, hire purchase agreements, farm maps, the list goes on.

We have found that when responding to our year end queries this can be a useful tool to drop requested documents in. Using this can avoid having to send multiple emails, due to document sizes, and keeps all this information in one easy to access spot.

Check out the training video at [Document storage | Farm Focus](#)

2025. Mark your diary and make sure you pop along to our site, RP 406 in the Rural Pavillion and have a chat with the team.

TEAM NEWS & OFFICE CLOSURE

2024 was a year of milestones – we had a retirement, two new team members and of course the exciting development of a new Director. Charmaine & Cheriden know you will all join us in saying a big thank you to our wonderful team as they head off for a well-deserved break to recharge their batteries.

Our office will be closing at **3.00pm on the 20th December 2024**, re-opening in the New Year at **8.00am on the 13th January 2025**.

THANK YOU AND SEE YOU IN 2025 - CHARMAINE, CHERIDEN AND THE TEAM AT COS.CA



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