

TAX TALK



Control time, boost income

Most people in business could earn more without working longer hours simply by keeping better control of their time.

Good time management isn't about squeezing more into your day. It's about knowing where your time actually goes, cutting back on low-value tasks, and making sure the work that does matter is properly captured and charged. Small changes, done consistently, can add up to a noticeable lift in income over time.

Keep a time sheet

Start by recording everything you do during the day. That means all your working time, not just the bits you invoice. Pay special attention to time you couldn't charge. Once you look at that non-chargeable time, you'll usually see a pattern. Ask yourself whether those tasks could be delegated, streamlined, or avoided altogether if they're not really adding value. And don't dismiss the small bits of time – they might not seem worth charging on their own, but together they can add up to hours every week.

Be clear about what's chargeable.

Many people undercharge simply because they're not sure what should count. Short phone calls, quick emails, or time spent thinking through a problem often get missed. A good rule of thumb: if the time adds value for the customer, it's probably chargeable.

Don't leave it until month-end.

A quick weekly look at your time sheet can highlight issues early, like frequent interruptions, inefficient processes, or clients who take up a lot of non-chargeable time.

Watch out for 'time leaks'

Small things like unscheduled calls, poorly defined jobs, or endless email back-and-forth can quietly eat away at your day. Individually they seem minor, but together they can seriously affect profitability.

Use templates and checklists

Standard templates for common tasks, emails, and documents save time and mental energy. That means more work done in less time, without increasing your hours.

Protect focused work time

Set aside blocks of uninterrupted time for chargeable work. Let calls go to voice-mail and deal with emails in batches if you can. Fewer interruptions usually mean better output.

Delegate

Even if delegation costs money, it can still be worthwhile if it frees you up to do higher-value work. Your time is best spent where it earns the most.

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Tax on sponsorship under review

The Inland Revenue Department is revising its understanding of what constitutes a tax-deductible expense for sponsorship.

- Sponsorship can be either in the form of money, products or services. If you want to claim a deduction, there needs to be a sufficient connection between the expenditure and the earning of business income. So if you feel you would like to contribute to your favourite sports team, you have to get good value in return otherwise your expenditure is not tax deductible.
- The amount of the expenditure could be relevant to the deductibility if “the parties are associated”. This means if your company is sponsoring your favourite sports team or a relative’s activity, there is an association between you and the company, which tends to suggest the expenditure is not genuinely advertising for the business but rather for your personal benefit.
- Your purpose at the time of incurring the cost is the key factor.
- You need to be careful if you are supplying trading stock. If you supplied trading stock at less than market value, Inland Revenue says you are making a taxable profit on the difference between market value and the cost at which you supplied the goods.
- If you provide the services of one of your staff, the salary paid is tax-deductible.
- If you acquire the use of a valuable asset as part of the sponsorship but you don’t get ownership of it, the related sponsorship cost is tax deductible.

The difference is focus

Being busy isn’t the same as being profitable. Many businesses fill their days with activity but struggle to see results. The difference is focus.

Profitable businesses prioritise work that delivers value and aligns with their strengths.

They review how time is spent, cut low-value tasks, and price work appropriately.

Taking time to step back and ask “Is this worth it?” can be uncomfortable, but it often leads to better decisions, healthier margins, and a more sustainable business.



The down low on the new digital nomad tax

In the August 2025 Tax Bill, the Government proposed new rules for digital nomads, paving the way for overseas remote workers to spend longer periods of time in New Zealand.

Once in place, this bill will allow eligible visitors who work solely for an overseas employer or overseas clients

to be treated as non-residents for tax purposes for a longer period when in New Zealand without becoming liable for New Zealand income tax

To qualify, digital nomads must:

- not provide services to New Zealand customers and,

Learn to say no to unprofitable work

One of the hardest skills to learn in business is how to say no to work, especially when it’s being offered. But saying yes to unprofitable work quietly costs you time, energy and money.

Unprofitable jobs often have warning signs – vague scopes, tight budgets, frequent “quick questions”, or a strong push for discounts. If a job makes you uneasy before it starts, trust your instinct.

Saying no doesn’t have to be blunt or awkward. You can keep it professional and polite.

Try phrases like: “This work falls outside what we can offer at that price,” or “Given the scope, this wouldn’t be a good fit for us.” Another option is to make the work suit you. Set clear boundaries, adjust the scope, or quote a price reflecting the real time involved. If the client walks away, that tells you something.

Remember, every hour spent on low-value work is an hour you can’t spend on profitable, satisfying work.

- stay fewer than 275 days in any rolling 18-month period.

Encouraging longer stays means more visitor spending on tourism, hospitality, retail, and local services, all of which will boost our wider economy – and depending on your industry, your business, too.

WE CARE ABOUT YOUR BUSINESS

COURT CASES for your interest ■ ■ ■

One NZ ordered to pay \$1.1 million for breaching 111 obligations

One NZ will also contribute \$100,000 towards the Commission's costs.

"Telecommunications services provide a vital lifeline in the event of emergencies like natural disasters and power failures," Telecommunications Commissioner Tristan Gilbertson said.

"As consumers move off traditional copper lines it's crucial that vulnerable New Zealanders retain the ability to contact emergency services during a power failure," Mr Gilbertson said.

The Code requires providers to give vulnerable consumers a no-cost way of calling 111 in a power cut, clearly communicate key information to consumers on their options, and accurately report their consumer engagement in relation to the Code to the Commerce Commission.

One NZ has admitted to breaches

of the Code related to information disclosure, record keeping, and regular customer outreach between 2021 and 2023.

"We're encouraged that, once it became aware of the extent of the issues, One NZ took action to correct these breaches and cooperated fully with the Commission's investigation," Mr Gilbertson said.

"It's critical that telecommunications providers comply with the Code which ensures that vulnerable consumers can still call for help during a power cut.

"We'll continue to monitor compliance with the Code and take action where needed to protect the interests of consumers," Mr Gilbertson said.

Background

The Code protects consumers who for health, safety or disability reasons

rely on a landline connection for emergency calling which, following a switch from copper to fibre or another new landline technology, will not work in a power cut without an independent power supply.

If these consumers do not have any other means of contacting 111 in a power cut – such as a mobile phone – then their provider must supply a device that enables them to make emergency calls for at least eight continuous hours at no cost to the consumer.

Most providers have supplied vulnerable consumers with a mobile handset or (outside mobile coverage areas) a battery back-up for their landline service to satisfy this obligation.

First sentencing for possession of tax evasion tools

An Auckland man has become the first person in New Zealand to be convicted and sentenced for aiding and abetting his company's possession of electronic sales suppression tools (ESST).

In response to the growing threat of these digital tools, stiff measures were introduced in April 2022 and made it an offence to acquire or possess ESST in New Zealand.

The man was sentenced in the Manukau District Court on 15 July to seven months home detention on tax evasion charges and a charge of aiding and abetting his company for possessing electronic sales suppression tools for the purpose of evading the assessment and payment of tax.

The Judge ordered the start date of the sentence be deferred until 20 August to allow him to travel to Fiji for family funerals.

The investigation

The man runs a pizza outlet in Waiuku.

As part of an Inland Revenue (IR)

investigation searches were carried out at his home and business addresses, and bank records obtained.

During an interview he admitted he was hiding income from his tax agent so that he didn't have to pay so much tax.

Ex-employees confirmed the pizza business employed 4 staff including the man, but PAYE returns indicated only 2 staff.

Calculated offending

His offending was planned, calculated and required ongoing financial manipulation.

The total GST discrepancy from the offending is \$78,777.09; income tax discrepancy is nearly \$100,000; and the PAYE discrepancy is \$21,337 – a total of just over \$198,500.

Effect on the tax system

The threat that ESST pose to the integrity of the tax system is significant and IR has an obligation to honest businesses to stamp out its use.

There's no other purpose to ESST other than to facilitate tax evasion or money laundering. They're being used globally to systematically alter point-of-sale data collected to understate or completely conceal revenue to evade tax.

ESST work by targeting the integrity of transactions, software, internal memory, external filing, or reporting to delete, change, or simply not record selected sales data and transactions.



Can you take a break from tech?

If you run a small or medium-sized business, your brain is probably always half in your inbox. The trouble is, constant connection quickly drains your focus and energy. A few tiny breaks from tech each day can reset your head, your mood, and the way you show up for your team.

Here are six easy ways to unplug and enjoy the benefits of a brief break from tech:

1. Set one tech-free window each day. It can be as short as 15 minutes; commit to one intentional break from your phone, computer, TV, and tablet — ideally when you're awake!

2. Take a walk The younger generation calls this a 'silent walk', but most of us just call it... walking. Skip the earbuds, ditch the podcast, and pay attention to the sights, sounds, and smells of the real world

3. Buy a phone safe. If the pull of your phone is too hard to resist, try a timed phone safe. Pop your phone inside, lock it, and revel in the forced freedom. (Phone 'prisons' can be found online for less than 20 dollars.)

4. Use Do Not Disturb mode. You'll still receive urgent calls,

but you won't be interrupted by group chats or never-ending notifications.

5. Get a notebook If you reach for your phone without thinking, keep a notebook nearby. Every time you reach for your phone, jot down why you wanted it and how you were feeling. After a few weeks, you'll start to spot patterns.

6. Put your phone up high. Just like keys on a hook, give your phone a home — somewhere slightly inconvenient — so you can't automatically reach for it.

From SEO to GEO: AI is changing the way customers find your business



For over a decade, Search Engine Optimisation (SEO) has been a major part of a business's digital presence. Techniques like keyword research, metadata, and backlinks have helped websites appear on the first page of Google for relevant searches.

You've probably either dabbled in SEO yourself or hired someone to help push your website up the rankings. But, like so many things, artificial intelligence (AI) is changing the game.

Introducing GEO: Generative Engine Optimisation

Instead of Googling, people are increasingly turning to AI platforms like ChatGPT, Claude, Gemini, and Copilot to find products, services, and local businesses.

AI doesn't just 'rank pages' the way Google does. It gathers information from across the internet and summarises it into answers. If your content is in

consistent, unclear, or rarely updated, AI tools are less likely to include your business in their responses.

What does this mean for SMEs?

After years of building websites that offer a great user experience, you now need to think about the robot experience too.

Here are four GEO tips to help your business stay visible in an AI-led search world:

1. Accuracy

Make sure your business name, services, pricing, location, and expertise are up to date everywhere you appear online: your website, Google Business profile, social media, and any directories you're listed in.

2. Readability

AI prefers content that is clear and easy to read. Keep using personality, humour, and your own unique style;

just make sure the language is unambiguous so it's easy for AI to understand what you do, where you are, and who you serve.

3. Reputation

Reviews matter more than ever. AI increasingly relies on ratings and customer feedback to decide which businesses to recommend, so encourage clients to leave honest reviews on Google and Facebook.

4. Structure

Help AI interpret your website by structuring your content clearly. Direct headings, well-labelled services or product descriptions, and a logical flow to your FAQs make it easier for AI to find, trust, and recommend your business.

If you want support with the money side of your business while you navigate the AI shift, get in touch today.

Important: This is not advice. Clients should not act solely on the basis of the material contained in the Tax Talk Newsletter. Items herein are general comments only and do not constitute or convey advice per se. Changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Tax Talk Newsletter is issued as a helpful guide to our clients and for their private information. Therefore it should be regarded as confidential and should not be

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