

KPMG Alumni News

FEBRUARY 2020

Welcome to the February edition of the KPMG New Zealand Alumni News.

Here we have our latest news, publications and events, which we hope will be of interest to you.

Introducing our new Partners

KPMG is pleased to announce the appointment of four partners to our firm.



Mair Brooks joins the firm as an experienced advisory partner, recently returning to New Zealand. Mair has more than 20 years' of global infrastructure experience and will lead our growing Major Projects advisory practice – focused on providing consulting services to the significant infrastructure projects. Her global experience covers the transport, education, health, mining, utilities, oil and gas sectors. Brooks was the chair of the Queensland government infrastructure innovation taskforce from 2017 to 2019.

Robert Hill is a tax partner in the Tauranga office with more than 20 years' experience with the firm, working alongside a wide variety of businesses in the central North Island. Robert advises clients on the tax aspects and structuring of their business and investments, restructuring, resolving tax disputes with the IRD, focusing on solutions that fit the client's business and commercial purposes.

Advisory partner **James Dowle** has more than 25 years' top-tier UK and NZ experience of delivering technology-based change in major banks and the public sector. James has particular expertise in the design and mobilisation of delivery-focused business transformation. He creates success through defining a clear vision for any change, building highly collaborative teams and generating a passion for success.

Rachel Scott is also a new advisory partner, utilising her skills in risk management and internal audit services to help clients to drive performance improvement and action. Rachel draws on more than 20 years' international and NZ experience across government, the wider public sector, financial services, corporates and professional services.

Preparing your company tax return?

Our upcoming in-depth tax seminar is not to be missed with tax experts Nick Hope and Glen Biddick covering the tax return and tax accounting basics for when you prepare your company tax return and answering any questions you may have.

Come along to our Year-End Tax Planning seminar on March 10, 2020 at KPMG Auckland. Register for a spot [here](#)

Coronavirus: Protect your staff and your business



Due to the rapid development of the coronavirus situation in the People's Republic of China and around the world, many companies have initiated business continuity planning to protect their staff and mitigate the impact on their business operations. In

maintaining business continuity, there are several people-related issues to consider, including how to manage a cross-border workforce and changes to employment and remuneration terms.

KPMG looks at how you can protect your staff and your business, highlighting the key considerations from high level tax, legal, and immigration perspectives in our latest publication [here](#).

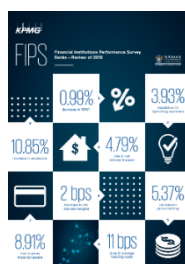
Contact our People Services team if you would like to discuss these issues in further detail.

Get in touch

[Rebecca Armour](#)

Partner, National Leader – People Services

FIPS Banks: Review of 2019



KPMG's Financial Institutions Performance Survey (FIPS) Review of 2019 has revealed that profit growth halted for New Zealand banks with profit for the sector down .99%. This result comes off the back of two consecutive years of steady profit growth with increases of 7.35% in 2017 and 11.21% in 2018. Four factors, increases in impairments and operating expenses combined with drops in non-interest income and interest margin contributed to the flat profit.

New capital requirements continued to grab headlines with the Reserve Bank's much anticipated decisions released in December. Although the decisions were largely in line with proposals, there were some key changes including slightly higher capital levels for larger banks, an extension of the transition timeline from five to seven years and the ability to use additional types of tier one capital.

Fintech disruption slowed in 2019, with no major upheavals. However, Buy Now, Pay Later (BNPL) schemes have seen huge growth recently. Open Banking progress in New Zealand has also been slow and largely industry led.

KPMG New Zealand's Financial Services team provides perspectives into these issues and more in the full FIPS report [here](#).

Get in touch

[John Kensington](#)

Partner, Head of Banking & Finance

Community @ KPMG

NZDF Rainbow Warriors

KPMG sponsored the New Zealand Defence Force (NZDF) "Rainbow Warriors" exhibit currently on display at Auckland Museum.



The exhibit opened with a private showing last week where LGBTIQ former serving and contemporary soldiers, sailors and airmen and allies gathered to witness the unveiling of Rainbow Warriors.

The photographic exhibit is the final piece of NZDF's Pride 25 project and tells the story of their 25-year journey from prohibition to inclusion, through the eyes of those who have lived it. Each of the 25 images has an accompanying story of life in uniform, out of the closet. The stunning imagery was created by renowned Auckland photographer Russ Flatt, himself the son of a Serviceman.

Find out more about NZDF's Pride 25 project [here](#).

Wellington Round the Bays 2020



Over 120 KPMG staff from around New Zealand came together for Wellington Round the Bays this year. They were greeted with typical Wellington winds, which later died down – making for wonderful race conditions.

The team was treated to post-race celebrations with food, drinks and massages at our Wellington offices to help with the recovery.

Congratulations to the KPMG first-finishers – Matthew Cryer in the 21 KM (1.26.03), Stef Gray in 10 KM (00.44.01) and Adrian Hardy in the 6.5KM (00.34.44) and to everyone that participated!

Prosperity Projects – KPMG Interns coming together to fuel New Zealand's prosperity



Over summer, over 50 interns nationwide completed Prosperity Projects as part of their internship at KPMG. Our interns were asked to plan and execute a project that would make a difference to the prosperity of communities, clients or our people (or all three!).

After a mini introduction to design thinking, they were given three suggested impact areas – environment, volunteering or inclusion and diversity. In teams, they had planning sessions to decide on an issue to address, generate ideas and validate assumptions, map solutions and facts and then implement their projects. Teams received support from key mentors within KPMG and were encouraged to keep innovation and collaboration at the forefront of their design process to make the biggest impact.

Regular check-ins enabled mentors to give constructive feedback and a final presentation event allowed teams to see each other's finished "products". Projects ranged from designing a set of new reading resources for our KAT literacy programme, a "Pawsperty" mental health awareness day in Auckland with ice cream on sale and dogs at the office to raise money for the Sir John Kirwin Foundation, to several waste reduction and education projects to help people make environmentally informed decisions.

Between waste audits, cultural education initiatives, presentations, team volunteering events and launching eco-friendly pens, all the teams produced fantastic original prosperity projects during their time at KPMG.

Powerlifting with Nu Filo



As part of our long-term relationship with Nu Filo, KPMG sponsored him at a recent powerlifting event.

Nu is an ex-New Zealand Defence Force Regular Force Member, and an Invictus athlete who has represented his country at three Invictus Games.

KPMG were lucky enough to sponsor Nu at the Toronto and Sydney Invictus Games, and in late 2019 in partnership with the Auckland RSA, KPMG also sponsored him in competing at the Asia Pacific

Powerlifting Championships in Hong Kong.

Nu had a fantastic championship and won gold in the Bench Press 120kg category. The next step in Nu's powerlifting journey is to move to London and continue to work toward his dream of competing in the Paralympics.

Please join us in congratulating Nu on his amazing achievements.

Tax

Inland Revenue releases wide-ranging GST proposals

Inland revenue officials have released a GST Issues Paper which discusses a broad range of GST issues and potential changes to the GST legislation. Some of the potential changes are welcome – including updating and modernising tax invoice requirements, clarifying the GST treatment of cryptocurrencies, and aligning the GST treatment of the domestic leg of international transportation services with common industry practice. Other proposals are more complex and will require careful consideration by those affected.

Find out more about the proposals in our latest Taxmail [here](#).

R&D Expenditure eligibility

Expenditure eligibility is the fourth video in KPMG's R&D series which focusses on your R&D expenses and their eligibility under the tax incentive regime. Essential to your expenses being eligible is ensuring that they are directly related to your core R&D activity.

The video series is aimed at giving businesses a succinct overview of the tax incentive regime, so that you can start implementing what is required to benefit your R&D incentive claim. We will be adding to the series as the regime develops and Inland Revenue releases further operational information.

Check out our [videos](#) to date on *our approach to the R&D tax incentive* and *what the R&D tax incentive is*.

R&D update by Inland Revenue and Callaghan Innovation

Of most importance to your business, are the recent steps taken by Inland Revenue and Callaghan Innovation to develop the In-year approval mechanism (for the 2020-21 onwards) and Supplementary R&D return form. Inland Revenue and Callaghan Innovation will be working alongside each other to administer the regime, with Callaghan Innovation providing technical oversight for in-year approval and claim processing. Find out more on how this affects you in our latest update [here](#).

Key Audit Matters

We are three years in since Key Audit Matters (KAMs) were required to be reported for NZX Listed Entities and one year in for FMC HPA (Higher level of Public Accountability) entities. KPMG looks at the trends regarding the new style auditor reporting of NZX Listed Entities and certain FMC HPA entities for the period (financial periods ending October 2018 to September 2019) in our latest KAMs update [here](#).

We value your connection with us and invite you to visit our Alumni website periodically to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us if you would like additional information regarding any of the above topics.



Aaron Woolsey

KPMG NZ Alumni Partner

kpmg.com/nz/en/home/alumni.html



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