



DECEMBER 2019

The Principals and Staff of Graham & Dobson thank you for your continued support during 2019. We wish you a safe, happy and relaxing festive season. The offices of Graham & Dobson will be closed from 4.00pm on Monday, 23 December and will re-open on Monday, 13 January 2020 at 8.00am.

SNIPPETS

GENERATION Z - THE WORKFORCE OF THE FUTURE

The rise of Generation Z ('Gen Z') is imminent in today's workplace. Comprised of those born between mid 1990s to early 2000s, Gen Z has grown up in a world with technology at their fingertips. According to Statistics New Zealand, there are 983,000 people aged between 10 and 24 years in New Zealand – compared to a million Millennials, 929,000 Generation Xers and 817,000 Baby Boomers. So move over Millennials! Gen Z are here with a generation gap as wide as that between the telegraph and the tweet.

Aged under 24 years, they are socially conscious, eager to go places and moreover are confident, adaptable and tech-savvy enough to tell employers upfront what they expect, which is likely to be remote and/or flexible working terms of employment. In doing so these neo-digital natives are changing the workplace.

Today it is increasingly common for these young employees to change jobs often by yesteryear standards. If Gen Z members are not challenged, recognised or rewarded for their efforts, they may not be interested in putting in the hard yards and working their way up.

Fast forward 10 years from now – employers will be looking to recruit an increasing number of Gen Z employees. Gen Z tend to begin their job search on the business' website – looking for the organisation's culture to impress them and then heading to social media to learn more. Hence organisations need to get creative with different social platforms and use them to reach out to potential employees who may want to spend as little time as possible in the office!

WACKY BUSINESS IDEAS

Ever dreamt of being your own boss? Millions of people have turned that dream into a reality. Recent studies conducted by the Global Entrepreneurship Monitor reveal that 46% of respondents thought there were plenty of opportunities to start a business. Based on some of the strange, yet successful, business ideas out there, they might just be right.

Believe it or not there is a demand for renting pets out to schools putting on a zoo for a day or people who live in the city giving their children a brief experience. 'Rent the Chicken' offers a rental package that includes a portable coop, packs of feed, food and water dishes and instructions on how to take care of them during their stay.

Hangover helpers! These people are in demand. From preparing an effective morning after tonic to making a hearty breakfast, this service prepares the paying client for the day ahead. An emergency clean-up service is also offered!

Ever thought of what happens to engagement rings when marriage proposals fail? There is a service connecting direct buyers with sellers as rarely do jewellers offer refunds.

So get your thinking cap on if you are keen to be in business, the more unusual the idea, the better. And remember entrepreneur Gary Dahl – he launched the Pet Rock back in the 1970s and despite the craze lasting only about six months, it was still enough to make Dahl a millionaire!

PARLIAMENTARY PLAYGROUND

Construction is about to begin on a playground at Parliament, part of the plan to make the institution more child-friendly. With election year coming, this should spur lots of MP clichés: "getting out of the sandpit, being on a slippery slope, swings and roundabouts....."

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MERRY CHRISTMAS

FESTIVE SEASON EMPLOYMENT - CANCELLING A SHIFT

Many businesses operate over the festive season with highly variable workloads and though they use a weekly roster system to cover this, staff requirements can change at short notice. The question is: what is lawful when cancelling rostered shifts?



If it is foreseeable a business will need the ability to cancel shifts at any time it is necessary for the employment agreement with employees to specify certain matters in relation to such cancellations. Under the Employment Relations Act 2000 (the Act) it is unlawful for an employer to

cancel a shift unless the employment agreement specifies the following:

- a reasonable period of notice that must be given before the cancellation of a shift, and
- the reasonable compensation that must be paid to the employee if the employer cancels a shift without providing the specified notice.

The employer would of course then need to comply with the terms set out in that agreement.

The requirements under the Act focus on reasonableness and do not give a specific number for what constitutes reasonable notice or compensation. Rather, the Act sets out a range of principles to determine what will constitute reasonable notice which must be based on all relevant factors including the following:

- the nature of the employer's business, including the employer's ability to control or foresee the circumstances that have given rise to the cancellation
- the nature of the employee's work, including the likely effect of the cancellation, and
- the nature of the employee's employment arrangements, including whether there are agreed hours of work in the employee's employment agreement, and if so, the number of guaranteed hours of work (if any) included among the agreed hours of the roster.

Comment:

What constitutes reasonable notice for cancelling a shift will vary vastly among different workplaces and different jobs. Moreover it is hard to know what constitutes reasonable notice until the legislation has been tested. However, it is difficult to foresee many circumstances where notice of less than 24 hours would be adequate without paying any compensation.

Reasonable compensation for not providing the full notice is determined on the basis of all relevant factors including:

- the period of notice specified in the employee's employment agreement
- the remuneration the employee would have received for working the shift, and
- whether the nature of the work requires the employee to incur any costs in preparing for the shift.

It is clear that consideration must be given to the probability that the employee would have incurred costs (transport for instance) in preparing for the shift. What constitutes reasonable compensation is also tied to what the employee would have been paid. The more an employee would have earned during the shift in question the higher compensation would need to be in order to be reasonable. Small and arbitrary amounts, such as \$50 for example, are not likely to constitute reasonable compensation when the shift was going to be for 8 hours at \$21 per hour!

Comment:

If an employee's shift is cancelled and the employment agreement does not comply with clauses setting out reasonable notice and reasonable compensation terms, an employee is entitled to full payment of what the employee would have earned during the shift. An employee is also entitled to full payment if the shift is not cancelled until after commencement of the shift.

In addition, a personal grievance may be raised where the employee has been disadvantaged by the employment agreement failing to comply with the above requirements regarding shift cancellations.

ACCOUNTING AND PAYROLL DATA IN THE CLOUD

- WHAT ARE YOUR RESPONSIBILITIES?

With more and more accounting and payroll packages moving online it is important to consider your options for backing up this data.



The terms of service for most providers includes obligations for backing up your own data, while specifically protecting the service provider from liability for any potential loss of data.

At the same time as more is being stored directly in the cloud, it has become more difficult to copy, restore or recreate all of your records if you were to lose access. Many people no longer retain physical copies of invoices and receipts at all, as they are simply loaded direct to the cloud.

For small businesses there are simple steps, such as a full ledger backup taken at year end and stored in PDF or Excel based formats, that should be followed. Generally speaking, if you lost your cloud data access, records can be reconstructed from bank transaction data – although this can be an expensive and time-consuming process. The more complex your business or the more online your data is (ie relying on electronic copies of invoices, timesheets, direct integration with other apps) then the more important full backups become and the more difficult they are to do.

If you were to lose access to your data, how quickly could you recover and keep your business up and running?

If your cloud software provider went bankrupt, could you easily change to a different provider?

The move to the cloud has brought significant benefits in terms of access to your business data on the go – it has also changed and obscured some of the risks around data and physical record retention. Have you updated your business continuity planning to align with the risks you

Checklist:

- **Have you read your cloud provider's terms of service?**
- **What are the key data components of your business that are cloud based and do you have accessible copies?**
- **What impact would a loss of data have on your ability to continue operating?**
- **Are you meeting IRD and other Government requirements for record retention?**
- **If you are already backing up your cloud data, are you using a separate provider? Or would the failure of the cloud provider affect your base data and your backup?**
- **If you are doing local backups, do you store these offsite?**
- **Are your physical record retention policies in line with best practice?**

There are various backup options available which we can discuss with you depending on your particular

GOVERNANCE FOR SMALL BUSINESSES

Good corporate governance is often viewed as important for large companies with an established board of directors. However, the principles that underpin good corporate governance can benefit any organisation, irrespective of size.

Why is it then that the term governance often raises alarm bells with small business owners? Possibly it is the fear of losing control over their business or the assumption that they need to report to someone else. In fact, good corporate governance when applied to small business should lead to business owners feeling more empowered, more supported and better equipped to make good quality decisions.

In a nutshell, governance is all about thinking strategically and taking a "big picture view" as opposed to focusing on day-to-day operations. The subtle switching of "hats" from working "on" the business as opposed to working "in it" is one of the first steps towards building a governance structure.

The idea of a full board for many SMEs would probably be inappropriate given their size but they may still benefit hugely from establishing an advisory board to provide a range of expertise.

An advisory board is an informal group of business professionals who help advise owners on a number of business issues. Generally, an advisory board should have a legal advisor, an accountant, a marketing expert, a

human resources expert and a financial advisor. The ability to draw on these different areas of expertise offers SMEs the benefit of a variety of different perspectives, knowledge, experience and most importantly support. Opting for an advisory board also ensures overall decision-making authority remains with the owner, removing any apprehension owners may have about loss of control.

THREE'S A CRUISE SHIP CROWD

This summer a growing number of cruise ships will make more than 1,000 port calls around the country with 370,000 passengers on board – up 13 per cent on last season.

However, cruise ships face new restrictions in Fiordland this summer because of concerns about their impact on some of this country's most beautiful spots. Environment Southland has imposed a limit – two ships in any waterway, passage, fjord, bay or inlet – because of fears that the growth of cruising will be unsustainable and the need to protect Fiordland's outstanding natural character and landscapes.



The operator of the biggest ships to visit New Zealand waters says the new rules mean cruise lines will have to work with each other to stagger arrivals in places such as Milford Sound.

Although most ships would only be in Milford Sound for two or three hours they were of course highly visible.

Of the 132 cruise ships expected to visit southern New Zealand, Royal Caribbean has the biggest ship, with the 347m long "Ovation of the Seas" to visit the fjords this season.

The Company's managing director said Royal Caribbean line was accustomed to working with regulators around the world to prove the Company was a responsible operator. He believed concern was often raised regarding discharge coming from cruise ships' funnels but this was often steam from 'scrubbing' sulphur rather than smoke. 'Scrubbing' involves spraying emissions with sea water and an agent that combines with the sulphur to cause the smoke to fall to the bottom of the funnel. Some cruise ships have been targeted for discharging the resulting wash water in sensitive areas. However, vessels in the Royal Caribbean fleet have a closed system which means the water is mostly disposed of in port at a discharge facility.



WHAT GOES AROUND!

This Christmas my parents are coming to stay with me.

When you're young, you go back to your mum and dad's for Christmas,

but when you get to a certain age they come and stay with you. Which is nice.

Proves that life moves on and you are looking after them as they looked after you.

We were sitting there last Christmas - Christmas Eve - 10.00 in the evening watching a film.

In the spirit of Christmas, I turned to mum and dad and said: "Bed!"

My mum replied: "But John - the film's only just started "

"I don't care" I replied. "Go to bed. And don't think you're sleeping in the same room either. You might get away with that kind of thing under your roof - but I think you'll find I pay the bills round here.

And get a job, dad - and stop treating this place like a hotel."

They did see the joke!

