mcculloch + partners news

June 2026

Client Shout Out

TK Farming – Working Smarter on and off the Farm

Farming is a lifestyle, but for Tom and Kate at TK Farming, it's also a business built on planning, adaptability, and informed decision-making.

Operating a 146-hectare dairy farm with a peak herd of 460 cows, the couple balance the day-to-day realities of farming with long term business planning. From managing feed, machinery, weather events, and animal health through to leading staff and setting future goals, every season brings new challenges and opportunities.

To reduce uncertainty, Tom takes a proactive approach to risk management, fixing a portion of the farm's milk price, interest rates, and feed costs each year. This creates greater financial certainty and allows the business to confidently work towards its goals.

Technology also plays an important role in the farm's success. Tom uses Figured regularly to forecast cashflow, test different scenarios, and assess the financial impact of major decisions before committing time or capital.

Tom believes one of the biggest advantages of modern farming is the ability to turn complex decisions into manageable steps. Rather than relying on guesswork, he uses budgeting and forecasting tools to understand the impact of decisions before committing valuable time or capital. It's an approach that helps avoid what he describes as the "busy fool syndrome" of spending money or effort on activities that don't actually improve profitability.

In this edition

Behind every successful farming business is a strong support network, and for TK Farming that extends beyond the farm gate. Working closely with James Harvey and the wider rural team, we provide strategic advice, tax planning, and business guidance tailored to the farming sector. From ownership structures and capital management through to long term planning, our role is to help Tom and Kate make informed decisions that support both their business and personal goals.

Like many farming families, Tom and Kate are focused on building a sustainable future. Their long-term vision includes creating more flexibility for family life while continuing to grow a profitable and resilient farming operation.

We're proud to support TK Farming and be part of their journey. Their willingness to embrace technology, challenge traditional thinking, and focus on continuous improvement is a great example of modern farming in action.

Budget 2026

The Budget, released on 28 May 2026, included proposed fringe benefit tax (FBT) changes for Motor Vehicles. While exact details will be released later in the year, the general themes of the changes are known now. These are expected to take effect from 1 April 2027 for the 2028 financial year.

The previous treatment of basing these benefits on the availability of use is expected to change to a type of use approach. As part of that change, the work-related vehicle exemption would be removed, and logbooks would not be required going forward.

Under the proposed rules, a vehicle's use category would be selected at the start of ownership. There are expected to be six categories, with the taxable portion of the benefit being 100%, 35%, 20% or 0%, depending on the category.

Category	Limitations On Use	Inclusion Rate
1 – full private use	Vehicle mainly for private use (perk vehicles). The provision of the vehicle is generally reflected in the employee's remuneration package. For determining whether a vehicle is mainly for private use, the fact that other employees have access to the vehicle or not during business hours is ignored. Vehicle does not have to be branded.	100%
2 – partial private use	Vehicle mainly for business use. Private use is permitted during rostered days off, public holidays and/or statutory leave days and commuting to and from work. Vehicle must be branded.	35%
2b – limited private use farm vehicles	Vehicle mainly for business use and used to support farming operations on farmland. Private use is permitted when not working. Vehicle must be owned by a closely-held company in the business of farming and used by a shareholder–employee. Vehicle does not have to be branded.	35%
3 – minor private use	Vehicle for business use. The only private use permitted is commuting to and from work by the same employee (to the same worksite). The vehicle can be used for business use by others at work. Vehicle must be branded.	20%
4 – minor private use	Vehicle for business use. The only private use permitted is commuting to and from home to work where "work" requires multiple work trips across multiple worksites. The vehicle can be used for business use by others at work. Vehicle must be branded.	0%
4b – no private use pool car	Vehicles exclusively for business use. No private use (other than incidental use). Vehicle does not need to be sign written (that is, pool vehicles). These vehicles are not allocated to a single employee.	0%

Some categories would require the vehicles to be sign written.

Another proposed change is to split the existing benefit calculation rate into three separate rates to better reflect the different running costs of petrol, hybrid and diesel vehicles.

These are proposals only and may change before they take effect. We'll provide an update once the final details are confirmed. In the meantime, we're happy to talk through what they might mean for you and your business.

Passing on the Farm

Why succession is a conversation worth starting early.

Winter's quieter weeks, often around the kitchen table, are when the big-picture questions tend to surface and few are bigger than what happens to the farm next. Farm succession is one of the most important decisions a farming family will make, and one of the most easily put off. Started early and handled well, it protects three things at once: the family, the business, and the people who depend on both.

Start the conversation early

Succession is a process, not a single event. Starting the conversation early and including your accountant and lawyer allows for more viable solutions. Open, honest discussions with everyone involved, both on-farm and off, help prevent the assumptions and surprises that can derail a transition later. Getting expectations aligned early is worth more than any clever structure.

Fair isn't always equal

One of the hardest parts is balancing the child carrying on the farm with those who have built lives elsewhere. "Fair" rarely means splitting everything equally, the farm needs to stay viable for whoever takes it on. Talking openly about what fairness looks like for your family, and writing it down, helps avoid disputes down the track.

The financial building blocks

+ **Valuations:** an independent, current valuation of land, stock, plant and any shares is the foundation everything else is built on.
+ **Vendor finance:** parents often help fund the purchase by leaving part of the price owing (a vendor loan), repaid over time from farm income. The terms, interest and security need to be set out clearly.
+ **Ownership structures:** trusts, partnerships and companies each carry different tax, asset-protection and flexibility implications; the right fit depends on the family and the goals.
+ **Tax:** transfers can affect livestock values, depreciation recovery and GST, so the timing and method should be planned carefully.
+ **Retirement:** the exiting generation needs certainty about their income and where they will live once they step back.

Write it down

A handshake is not a plan. Once the family has agreed on a direction, get it documented, a succession plan, updated wills, trust deeds, and any vendor loan or sale agreements. Clear documentation helps everyone understand their position and gives the plan a better chance of standing up if circumstances change.

Get in touch with us to start mapping out a succession plan that works for your family and keeps the business strong, the earlier we begin, the more options you'll have and less unexpected surprises.

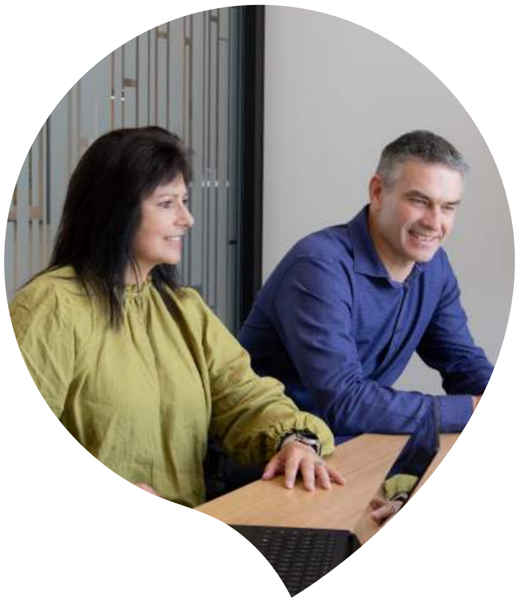
What is your business really worth?

With recent signs of improvement across New Zealand's small business sector, now is a good time to understand where your business stands.

A business valuation gives you a clear picture of what your business is worth today, and how that impacts your future plans. Whether you're thinking about growth, succession, or eventually stepping away, having accurate numbers behind you makes those decisions easier.

At McCulloch & Partners, we take the time to walk through your valuation with you. We'll look at the current state of your business, identify ways to strengthen its value, and talk through what it mean for your long-term plans and lifestyle goals.

If you're unsure where you stand, or where you're heading, a valuation is a practical place to start.



Clear Numbers = Confident Decisions

Clear Numbers
=
Confident Decisions

Practical financial support for the way your business operates.

Running a business comes with plenty of moving parts. The numbers are just one piece, but getting them right makes everything else easier.

Whether it's staying on top of cashflow, planning ahead, or making sense of day-to-day decisions, having clear financial insight gives you the confidence to move forward.

At McCulloch & Partners, we work alongside you with practical advice and support that fits the way your business operates. No unnecessary complexity, just guidance that helps you stay in control and focused on what matters.

If you'd like a clearer picture of your business, get in touch with our team.

Staff Updates

McCulloch & Partners are pleased to recognise the achievements and experience of two valued team members.

Alex Kraschinski - *Manager, Queenstown Office*

Based in our Queenstown office, Alex Kraschinski brings an open, honest and solutions-focused approach to accounting and tax matters. Known for his “no stone left unturned” mindset, Alex is committed to achieving the best possible outcome for his clients while making complex situations easy to understand.

He enjoys helping clients work through challenging situations by breaking them down into clear, practical advice.

Outside of work, Alex and his partner are kept busy with their two young children, Hugo and Molly. As a family, they enjoy skiing, mountain biking, hiking, kayaking and travelling in their motorhome whenever possible.

Sarah McDonald - *Promoted to BAS Manager*

Sarah McDonald has been promoted to Manager within our Business Advisory Services team, recognising her strong technical capability, practical approach and commitment to supporting clients and colleagues.

Sarah joined McCulloch & Partners in November 2021 as a graduate after completing a Bachelor of Commerce at the University of Otago. She completed her Chartered Accountant studies in 2024 and has continued to grow into a trusted advisor for clients across a range of industries.

Her hands-on experience living on a dairy farm provides valuable real-world insight into the challenges and opportunities businesses face.

Pink Shirt Day

On the 18th of May, we marked Pink Shirt Day with a shared morning tea and a splash of pink across the office.

Pink Shirt Day is a great reminder of the importance of looking out for one another, embracing diversity, and helping create a workplace where everyone feels welcome, included, and able to be themselves.

Our team are proud to foster a culture where bullying has no place, and where respect, kindness and connection are part of how we work together every day.

Do you have the right support?

Running a business comes with constant decisions, and having the right support can make those decisions easier.

At McCulloch & Partners, we work alongside you as a trusted advisor. We take the time to understand how your business operates and provide guidance that makes sense for you. It's not just about compliance. It's about having someone who understands your business, can offer practical advice, and helps you stay on track as things change.

If you're looking for support you can rely on, our team is here to help.

Find us on Facebook

Our Facebook page is where we share staff and client achievements, industry news, tips and reminders, upcoming events or important changes that may affect you and/or your business.

Drop by and give our page a like so we can make sure you are kept in the loop between newsletter editions or meetings with your advisors.

Find us here: www.facebook.com/McCullochPartners

Key Dates

July – September 2026

July	
6 Jul	**PAYE:** (Large Employers) for the period 16 June to 30 June.
20 Jul	**PAYE:** (Small Employers) for the period 1 June to 30 June. **PAYE:** (Large Employers) for the period 1 July to 15 July.
20 Jul	**FBT:** Quarterly return and payment due for the period ending 30 June if you're a March balance date.
28 Jul	**GST:** Return and payment due for the period ended 30 June. **Provisional Payment** (Income Tax) • 1st Instalment (February balance date) • 2nd Instalment (October balance date) • 3rd Instalment (June balance date)
August	
5 Aug	**PAYE:** (Large Employers) for the period 16 July to 31 July.
20 Aug	**PAYE:** (Small Employers) for the period 1 July to 31 July. **PAYE:** (Large Employers) for the period 1 August to 15 August.
28 Aug	**GST:** Return and payment due for the period ended 31 July. **Provisional Payment** (Income Tax) • 1st Instalment (March balance date) • 2nd Instalment (November balance date) • 3rd Instalment (July balance date)
September	
7 Sep	**PAYE:** (Large Employers) for the period 16 August to 31 August.
21 Sep	**PAYE:** (Small Employers) for the period 1 August to 31 August. **PAYE:** (Large Employers) for the period 1 September to 15 September.
28 Sep	**GST:** Return and payment due for the period ended 31 August. **Provisional Payment** (Income Tax) • 1st Instalment (April balance date) • 2nd Instalment (December balance date) • 3rd Instalment (August balance date)