

## Member Spotlight: Richard Ashby

# Scaling cliffs, crunching numbers and the art of problem solving



Richard has had over 30 years experience with NZ taxation, and particularly enjoys dealing with land tax issues and the GST regime. He deals with clients of all types and sizes and provides tax opinions on the appropriate treatment of items of income and expenditure, assists clients with IRD risk reviews and audits and can assist clients who are having difficulties meeting their tax payment obligations to make suitable repayment arrangements with the IRD. Richard also provides cross-border tax advice, both to existing clients looking to expand their operations offshore, and to offshore persons looking to either establish a NZ presence for their business or to relocate themselves personally to NZ more permanently.

Richard strives to maintain a good work/life balance and outside of the office enjoys spending time cycling or playing squash, or just hanging out with the family - Lisa and his four children.

Richard Ashby likes to push himself to the limit in everything he does. As an early riser, his day starts at 4am when he cycles for 30 minutes before taking a shower and bite to eat. He then heads off to the office ahead of rush hour traffic and arrives - two hours before anyone else - at 5.45am.

This early morning ritual is important for Richard. As a highly respected tax expert, he uses the silence to gather his thoughts and work through the endless permutations of New Zealand's taxation system for clients who find it barely comprehensible. For most people accounting and tax is a world of grey areas, but for Richard understanding this grey area brings out the best in him.

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His life and work are dominated by numbers in a career spanning 30 years and he freely admits that if it wasn't for his wife and children he'd probably spend seven days a week at his desk. Because, for Richard, tax is more than just numbers, it's about problem solving - like an endless puzzle or conundrum that needs to be worked through and understood. The reward for unlocking these mathematical riddles is seeing his clients' faces light up when it dawns on them that he's just saved them thousands of dollars.

Richard puts his huge passion for success and solving financial riddles down to two things: coffee and cycling. “I've got a smart trainer set up in the garage

that connects to an app on Apple TV and I use this app to connect to my bike and the trainer,” he says of his early morning start. “So, it's just like a real road feel (road cycling); I do an intense 30 minutes every morning. On Monday's after work I play squash and push myself pretty hard, while at weekends I like to get out on the road with my bike. Between the morning and evening I live on coffee in the office, which helps to drive me while I'm at my desk, and I have to admit to even having a Nespresso machine less than 2 feet away from me, so I don't have to walk far for a top-up.”

Richard's background of traversing country lanes, fishing and scaling cliffs would at first seem at odds with a taxation specialist who crunches numbers on cross-border deals from China to Europe. He grew up in a small town named Waipu, located in the northern part of New Zealand's North Island, which consisted of approximately 700 people at the time, and when not on the bike seeking out the local fishing spots, he could be found riding in the cab with his truck driver dad.

“I've always enjoyed that country lifestyle and we were close to the beach, so I just spent days doing what kids do,” Richard says. “That involved climbing trees and cliffs, fishing, cycling and generally doing what I wanted. There were no mobile phones, so my parents basically let me get on with life - you just knew you had to be home in time for the evening meal.”

Richard has his older sister to thank for helping him with his career in tax - along with a long forgotten career's adviser at school.

“I was in Year 11 when a guy from a large accounting firm came to school to talk to us,” he recalls. “I was studying accounting and economics. I enjoyed playing

with numbers. Then when I heard this guy talk, I knew immediately; ‘Yes, this is me. I want to be an accountant.’ There was something about debits, credits etc that I really enjoyed. I liked the concepts.”

Richard then enrolled to do his accounting degree fulltime at the Whangarei polytechnic, however changed tact when his sister saw an ad in the local paper, Whangarei's Inland Revenue (IRD) looking to recruit up to 30 cadets.

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“She was working for the Ministry of Agriculture and Fisheries, so already in another government department,” he says. “She saw this job opportunity going and thought getting her brother into a government department was a good way to go. A secure career.”

So Richard's study plans were put on hold, when he landed the job and spent the next few years working his way up from lowly dogbody, checking endless tax returns, to dealing with people's queries on the phone: “I liked that; it was more human. I like helping them through issues that were creating them problems. I wanted to help fix them.”

Later he was promoted to investigations, which he loved: “With investigations you really get to understand income tax, goods and services tax (GST)...things that people really worry about.”

After a few years Richard moved to Auckland working in IRD's Henderson office (studying part-time towards his accounting degree now), and it was at this point he realised there was more to life than being a government tax inspector.

“Auckland IRD was a totally different environment to Whangarei, very political,” he remembers. “If you were mates with the team leader, you usually got the pay rises, regardless of how good you actually were at your job. In the end I was tired of the endless merry-go-round. A guy across from me had a mate who had a small accounting practice and was looking for

someone with IRD experience. I went to talk to them and they offered me the job on the spot.”

Richard admits working for a private sector accountancy was very different than the IRD and he realised he had a lot to learn: “I thought I understood financial statements; I'd been an investigator for four years, but I was still basically green. It was like starting from scratch.”

After finding his feet as an accountant in the private sector, Richard soon moved on and joined Gilligan Sheppard. Initially, starting as a compliance accountant, he quickly became the go-to person in the firm for tax advice and also established a niche for himself as an expert for cross-border deals.

“Our focus is largely the SME market and I've got clients who often look to set up in Australia as a testing ground before going more global. But a big part of our practice is with the Chinese. One of our partners is Chinese, so probably a third of our client base is from China - a lot of real estate investors (NZ has no capital gains tax on land disposals yet) and high net-worth individuals.”

Often the family will move over from China, with children attending local schools, while the husband flies back and forth to the Chinese mainland to carry out deals and look for investments. Richard's work often involves tax residency issues and helping clients structure deals around land purchasing “because we've still got a lot of it here to sell in New Zealand” he laughs, “and if structured correctly, subsequent disposals can potentially be tax free”.

Moreover, as a former IRD investigator, he helps a huge number of overseas clients navigate the often difficult and misunderstood issues involving the Revenue: “The great thing about our Chinese clients is that they don't mind paying for good advice, they're always proactive. They're often doing million-dollar land deals and need to understand how to handle all the different aspects involving moving money from China to New Zealand, and the taxes they need to be aware of here as residents from overseas.”

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Richard also has business referrals from the US and UK via his connections at IR Global, but admits that the overwhelming overseas work is with his Chinese clients.

Elsewhere, Richard started offering tax advisory services to other accountants who might not have their own tax speciality or are simply in need of a second opinion: “At the moment our tax team comprises only two of us and a few part timers, but we're aiming to grow that over the next few years.”

Indeed, the Gilligan Sheppard five-year plan is to double turnover from NZ\$5 million to NZ\$10 million and grow the team from 25 to 40 - “Much of the work will be focused on compliance accounting and also on value added services with the special projects team. With tax, we want to expand our consultancy arm to have about five people doing circa NZ\$2.5 million in fees from the present NZ\$500,000.”

But along with the company ambitions, Richard's idea of a job well done for his clients is the reason he pushes himself each day from 4am to 6pm: “Tax and accounting is all about problem solving and that's an interesting approach to take, isn't it?”

**“Its' a really good buzz feeling when you see your client's light bulb moment as they suddenly understand the outcome you've developed for them”**

“For me, it hasn't been a job for a long time. If I didn't have a family, I'd just do this seven days a week and probably not stop. I really enjoy getting the questions from the clients or their problems and then just thinking about how to work it out. It's all about finding a solution, often slowing the client down and saying, “ hang on a sec, let's understand your end goal here, and then see what we can do for you. Its' a really good buzz feeling when you see your client's light bulb moment as they suddenly understand the outcome you've developed for them.”

Not bad for a small town boy from Waipu, who still spends his spare hours cycling the backwaters and bylanes of New Zealand's North Island.



## Richard Ashby

IR Global's exclusive Tax (Accountants) member in New Zealand

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