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SKILLED MIGRANT CATEGORY POOL SELECTION

There were two draws from the Skilled Migrant Category (**SMC**) pool in January. The pass mark for the draw that took place on 12 January was 125 points and on 26 January it was 135 points for all Expressions of Interest (**EOI**) not including offers of skilled employment. The draw on 12 January however also required applicants to claim a minimum of 15 points for work experience in an area of absolute skill shortage, and the draw on 26 January also required applicants to claim a minimum of 10 points for holding work experience in an area of absolute skill shortage.

HIGH SELECTION CRITERIA

The pass mark (and associated criteria) for being selected from the SMC pool has remained high, and unlike previous years, we did not see a significant fall in the pass mark in the draws that took place in November and December 2010. Traditionally, November and December are low draw months because at that time it is usually quite apparent to the New Zealand Government at that stage as to whether or not they have selected enough applicants under the SMC pool to move forward to obtain New Zealand permanent residence to meet the residence target year that ends mid way through the following year.

Curiously, the New Zealand Government were behind the target set for midway through 2011, although appear to have made a conscious decision not to drop the pass mark in November/December to cover this shortfall. There are two ways of interpreting this stance. First, the New Zealand Government during the first part of this year will drop the points total to allow more numbers to move through the system to make up the short fall. Second, they are keeping the points pass mark high as somewhat of a safety valve to prevent applicants at the lower end of the scale obtaining New Zealand residence, subsequently travelling to New Zealand, and finding it very difficult to settle and assimilate in New Zealand due to the tough employment market.

The view of the writer is that it is the latter. Some immigration commentators have favoured the first point although the logic in adopting that position is flawed. The pass mark is reduced to allow increased numbers of EOIs to be selected, with the Government knowing full well that it will take an average of six months for those applications to move through to the grant of New Zealand residence; which allows that application and the individuals included in it to be added to the target number for that year. Applications moving through the process that have not been approved before the cut off point for the residence intake in mid 2011 are not counted. What we are going to see therefore, is most likely the fast tracking of residence applications where possible towards mid 2011 to meet the target numbers. In extreme instances of meeting target numbers, residence applications submitted by this firm under the SMC have been approved in less than 10 working days to allow the target number to be met. Whether we will see that type of accelerated processing is anyone's guess, although it is the writer's view that we will see accelerated processing to meet target numbers, rather than a significant fall in the EOI pass mark.

In short, if you have not obtained an offer of skilled employment in New Zealand, it will continue to be difficult for you to apply for and obtain New Zealand permanent residence unless you hold significant work experience in an area of absolute skill shortage.

Approximately 80% of applicants travel to New Zealand and convert to obtain New Zealand residence after holding a work visa (with a skilled offer of employment). If you do wish to migrate to New Zealand and are contemplating travelling to New Zealand to seek that skilled offer of employment to complete the residency process, seek professional guidance in this recession environment as to the viability of successful migration. The key here is that if you do wish to obtain New Zealand residence in the next 12 to 24 months you are going to need to be proactive by travelling to New Zealand to seek employment, and be selective in terms of a region where there are opportunities available to you.

HUGE EMPLOYMENT SPIN-OFF FROM EARTHQUAKE

A report released by the Canterbury Development Corporation (CDC) recently has confirmed that the residential rebuild that will be required after the Canterbury earthquake will create significant employment opportunities.

The employment surge is expected to begin within the next two months, and the jobs created by the residential rebuild will exceed the region's available work force by about 13,000 positions. Simon Worthington, Workforce Strategy Manager for the CDC has confirmed that the majority of the new jobs will be in construction but will also include anything from accountants to shop assistants as spending flowed in to the rest of the local economy. He confirmed that some specialised positions would require recruitment outside of Canterbury, although in trades such as painting and carpentry there are likely to be chronic skill shortages that potentially could slow the economic recovery in the region.

If you are looking to migrate to New Zealand within the next 36 months it is likely that there will be considerable employment opportunities in the Canterbury region, and this for any family looking to migrate to New Zealand initially should be a focus of attention. We have seen many families in the tight recession environment settling in New Zealand in locations which allow them to seek and obtain skilled employment, with a view to eventually settle in that particular region and decide at some later stage as to whether or not to stay; or move domestically at some point in the future.

The opportunity provided to some skilled migrants created by the Christchurch earthquake in the face of a national recession is significant.

Article Source: Ben Heather - The Press : "Huge jobs spinoff from quake" : 8 February 2011

CHANGES TO APPLICATION PROCESSING IN AUCKLAND

Immigration New Zealand (INZ) have confirmed that they are to provide a targeted approach to residence applications lodged and processed by Immigration Lawyers and Licensed Immigration Advisers for applicants in the region of Auckland.

From February the INZ Henderson Branch will receive and process all new residence applications lodged by Immigration Lawyers and Licensed Immigration Advisers for applicants in the Auckland region, as well as managing all related enquiries in relation to those applications.

Whilst INZ have stressed that there will be no changes as to how applications are processed, undoubtedly, in the writer's view, a dedicated processing office to receive professional applications prepared by Immigration Lawyers can only lead to greater efficiency and faster processing times for clients represented by professionals who are able to make use of this dedicated processing branch.

This move is important in relation to a closer working relationship between the private and public sectors. What we are seeing here, is a shift in focus from INZ encouraging applicants to approach the service direct, but rather a slight encouragement to use the professional private sector, as it promotes efficiency. Applications prepared by professional advisers should be prepared with all information/documentation required for an approval at the first instance, rather than the Government having to educate and continually ask for applicants who have prepared and submitted their own applications for further documentation or information. It is no secret that applications prepared by Immigration Lawyers are sought when applications are received by INZ because of the greater ease in processing. Individual immigration officers have target numbers of applications to be processed per year, and it is much easier for them to meet these target numbers if they take applications from Immigration Lawyers where there is less work and time involved in securing the information/documentation they need to make a final decision, and add that decision to their tally.

It is hoped that in the future with the success of this initiative, priority processing for applications delivered by Immigration Lawyers will also become a reality.

For those migrants who choose an Immigration Lawyer there is a clear signal that there is now a Government acknowledged benefit in doing so.

INTERIM VISAS

On 7 February the new interim visa policy was put in place, where in some instances employees who have applied for a work visa extension based on the same employer and same position are granted an interim visa to continue employment legally until a decision is made (even if their existing visa expires during processing of the application).

The interim visa is discretionary however, and applicants can not request and expect to be granted it. Further, different types of interim visas are granted depending upon circumstances and therefore a work visa to continue working is not guaranteed. There have already

INTERIM VISAS (Con't)

been issues with the new interim visa system. Many applicants have been sent emails confirming they have been granted an interim visa although the type of interim visa granted does not appear to have been recorded in the INZ system.

We would expect the process to be refined over the next month or so, although the grant of interim visas and this policy is certainly a step in the right direction and will assist to alleviate the significant processing time currently for some work visa extensions of between 45 to 90 days.

HEALTH DEBT

In an article of Kate Newton of the Dominion Post on 20 January 2011 it was confirmed that overseas migrants had accumulated in excess of \$13 million in unpaid medical bills, with District Health Boards writing off around \$8 million as bad debt.

We have seen an immediate reaction to these losses. A number of our clients who have been required to receive treatment have been required to provide evidence of their type of visa and their ability to access State funded health care (in the event that they do not hold private medical insurance).

It is important to note that if you are travelling to New Zealand that you must maintain private health insurance in New Zealand during the entire period of stay before you become eligible for State funded health care. In relation to determining whether or not you are eligible for State funded health care please follow the following link:

<http://www.liveinnewzealand.co.nz/immigration/publicly-funded-healthcare/>

It is also important for migrants to consider that tough new requirements were put in place with the implementation of the new Immigration Act on 29 November 2010, and therefore in some instances the failure to pay for health care in New Zealand could affect an individual's immigration status.

For further information or assistance with emigration please contact **Mark Williams** of **Lane Neave Lawyers** on **+64 3 379 3720** or email liveinnewzealand@laneneave.co.nz



2011 has started with increased activity in all sectors that we deal in. As a full range agency we are seeing pre 2007 levels of interest in the Christchurch market. There is increased interest from employers across the country in all our other branches as well. Business confidence is generally very optimistic however there remains a degree of caution as business owners appear are far more committed to completing full due diligence as they prepare to "gear up" for sustainable growth.

The increased optimism emanating from the USA and China appears to be reassuring local business confidence especially in the IT sectors and also export orientated manufacturers. A number of our larger clients are planning strategic recruitment as such.

Quality candidates are still required in most sectors to further develop the NZ infra structure. As such we remain interested in hearing from candidates off shore who can add value to Canterbury and NZ companies.

For further information on employment opportunities, please call **Steve Baker** of Enterprise Recruitment on **+64 3 353 0680** or email him at steve.baker@enterprise.co.nz



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STATUS QUO ON THE KIWI DOLLAR

Little has changed in the status of the New Zealand Dollar over the last month or so. We did have significant volatility over the Christmas period and that was largely negative for the Pound. So we saw Sterling dive until £1 only bought you NZ\$1.98.

That was clearly a distortion created by the lack of liquidity in the market through the holiday period which tends to increase volatility. We can assume this because as soon as normal levels of volume started to be pumped through the markets in early January, Sterling rallied to briefly reach NZ\$2.11. That's a pretty impressive 6.5% bounce and it was greeted with a lot of relief by those planning to move to New Zealand. Having seen the value of their funds plummet through the bulk of the last two years, this may be only a minor bounce but it is at least a movement in the right direction for a change.

The big question is whether this positive movement has any kind of momentum. Sadly, we cannot say with any confidence that it does. There are some factors that should serve to weaken the New Zealand Dollar; the drop in Australian Demand for NZ exports due to the Queensland floods, the efforts being made by the Chinese authorities to slow their economy and the view of the Reserve Bank of New Zealand that interest rates will remain on hold for several months to come.

Sadly though, that isn't enough at the moment because Sterling doesn't have the robustness necessary to cause a sustainable upward movement in the Sterling – NZ Dollar exchange rate. The UK economy shrank in the last quarter of 2010, public debt is still high, unemployment is still bad and retail activity slowed sharply. Poor UK weather clearly had a big hand in the poor data from quarter 4 of 2010 but even with those factors taken out, Britain is barely growing – if at all.

So we seem destined to see the pound grind out a slow and painful upward path against the NZ Dollar with plenty of reasons for sharp dips along the way. What those who are planning to move to New Zealand really need is a sharp improvement in UK data and an unexpected drop in confidence in the NZ Dollar. It might happen but I am not certain what the catalyst for that is one that we can identify at the moment.

Maybe events away from both countries will be influential. The uprising in Egypt is unsettling the sentiment of global investors. Those investors are likely to sell anything with even a hint of risk and potential for currency fluctuation makes the NZ Dollar a 'riskier' investment than some others. That in itself could cause the drop in value for the NZ Dollar that we are all hoping for.

For a more thorough explanation of the current trends, please contact **David Johnson**; a Director of Halo Financial; specialist providers of foreign exchange for migration purposes on **+ 44 (0) 207 350 5474** or email him at **david.johnson@halofinancial.com**



SURVEY FINDS MORE OPTIMISM

More people now expect house prices to move in a positive direction in 2011 according to a recent survey.

(Source: Real Estate Institute of New Zealand)

The latest survey of the New Zealand housing market carried out by Quotable Value Limited (**QV**) shows considerably more optimism than six months prior. According to the results released by QV there are now more people who believe that prices will rise than those who believe they will drop, a turnaround on the June survey findings. In addition there has been an increase in the number of people intending to buy or sell in the next 12 months.

Some 61% of respondents agreed or strongly agreed that now is a good time to buy, with a net of 48% believing now is a good time to buy (up from 31% in June). Some 28% indicated they would build or buy within 3 months, 22% said they would do so within three to six months and 50% said they would act in six to 12 months.

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On the other side of the equation the December survey has found that more people are now intending to sell their homes than in June, of those more are planning on doing so within three months too – 47% compared to 32% in June.

QV said property values are still the main factor affecting people's decision to buy or sell, with financial pressures becoming an influencing factor for more people as the fallout from the recession continues.

Locally, here in Christchurch, there are signs that considerable sums of money are going to flow into the local economy soon. Rebuilding work has started for some. Many of the smaller insurance claims have been settled and the big construction company charged with overseeing most of the residential reconstruction is getting ready to go.

Moreover, the market has become used to the new reality of buying and selling in the post EQ era and so we expect the number of transactions this year to increase significantly from 2010.

For further information and advice about the general property market in New Zealand please contact **Tim Harris** of Harcourts on **+64 3 379 6596** or email him at **tim@timharris.co.nz**



A BETTER TOMORROW

The Reserve Bank left the OCR unchanged at 3.00% last week, in a brief statement that was meant to convey no change in the outlook for interest rates over the next couple of years.

The statement noted from the outset that: "The outlook for the New Zealand economy remains consistent with the projections underlying the December Monetary Policy Statement". The biggest surprise since then has been the repeatedly disappointing pace of the recovery through the middle of 2010, including a 0.2% contraction in September quarter GDP. But the RBNZ felt that this had been balanced out by improvements in the more recent forward-looking indicators, some of which the RBNZ had singled out as downside risks in the December review.

Fixed vs. floating: The RBNZ's more cautious stance suggests that floating rates will remain on hold for several more months. Fixed-term rates could rise in that time, but only if there is a substantial turnaround in sentiment on the global economy. As a result, there is no urgency to fix right now.

For further information contact **Richie Owen**, Migrant Banking Manager on **+64 3 371 6093** or Email: **Richie_owen@westpac.co.nz**

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