



## APRIL 2010

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### IMMIGRATION UPDATE

#### SKILLED MIGRANT CATEGORY POOL SELECTION

There were two draws from the Skilled Migrant Category pool in March. The pass mark for the draw on 10 March was 115 points and for the draw on 24 March 130 points for Expressions of Interest not including skilled offers of employment. Both draws however also required applicants to claim a minimum of 15 points for work experience in an area of absolute skill shortage.

Citizens of the United Kingdom were the largest nationality by draw in March (17%).

#### INVESTOR 2 CATEGORY POOL SELECTION

There was one (recorded) draw from the Investor 2 Category pool in March. A total of 8 applications were selected from the pool (year to date there have been approximately 99 selections within the annual quota of 300 places).

#### NEW SILVER FERN WORK POLICIES

There has been significant interest generated in the new Silver Fern Work policies which took effect on 29 March.

As indicated previously there are only 300 places available each year under this quota system.

Even though the policy took effect from 29 March, the 300 places available for the first intake for this year open on 27 April. The quota will be managed by an online application system, and in a meeting with INZ recently (15 April) our firm was advised that INZ expect to "go live" with online registration via their web site at around 10am on 27 April (although it could be earlier than this).

If you are interested in applying for and obtaining one of the Silver Fern Job Search Policy work visas, you will need to check the INZ web site and refresh the web site frequently on 27 April to receive the link to complete your online application. INZ expect that the 300 places will be allocated within 2 hours.

Our view is that the 300 places allocated will be issued very quickly (probably within an hour) and therefore any individual who is interested in securing one of these visas will need to submit an online application as soon as the online facility becomes available (in the event the web site doesn't crash with the number of hits it will receive).

INZ are currently suggesting that applicants pre-register. Please follow the below link to complete this:

<http://www.immigration.govt.nz/migrant/general/generalinformation/news/silverfernopens.htm>

#### A SLOW RECOVERY – VISA ISSUES

The writer has received various reports from private entities and direct advice from high level sources in the public sector in relation to New Zealand's economic recovery.

New Zealand business confidence is increasing and the view expressed by a number of informed individuals is that New Zealand is in the process of recovery, although the recovery will be slow paced.

What this essentially means is that a material decrease in unemployment is only now being anticipated towards the end of this year and start of 2011.

## **A SLOW RECOVERY – VISA ISSUES (con't.)**

Whilst New Zealand from an international perspective fared very well during the global economic recession (New Zealand was the third least affected OECD country) nonetheless the economy has been materially affected.

There are still skilled positions available for individuals even in this tight market, although more time is required for individuals to source and obtain skilled employment than once was. The tightening of immigration criteria in relation to the grant of temporary permits is also continuing, and we expect this to continue right throughout 2010 and into the first two quarters of 2011.

From an operational point of view, and in terms of an immigration service provision context, the days of applying for and obtaining a work permit relatively simply directly from Immigration New Zealand have certainly gone unless the occupation is on the Long Term or Immediate Skills Shortage List. Only with a well structured immigration plan and visa application are individuals able to secure the temporary and residence visas required in order to migrate to New Zealand at this time for occupations not included in these lists.

If you are considering migrating to New Zealand this year, receive informed advice regarding the state of the employment market in relation to your particular occupation and your ability to source a full time offer of employment before coming to New Zealand. There are different visa pathways that can be used depending upon the proposed employment and other circumstances particular to you.

Many individuals who have contacted our office for assistance in New Zealand have received advice and assistance far too late. We continue to be astounded by the number of migrants who contact our office either in New Zealand or overseas with major issues encountered during the processing of their applications that could have been avoided easily with much better visa planning.

A decision to migrate to New Zealand is not a decision or process that should be undertaken without sound due diligence. It is not a simple case as it once was booking a plane ticket to travel to New Zealand to secure a full time skilled job relatively quickly and then being issued a visa by just being here. Any migrants who have this idea (or are perhaps sold this idea by some licensed immigration advisers) are simply not travelling to New Zealand prepared and fully informed.

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](mailto:liveinnewzealand@laneneave.co.nz)



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## **CURRENCY MARKETS – A LITTLE LESS CONVERSATION AND A LITTLE MORE ACTION PLEASE.**

There are times in the foreign exchange markets when it is hard to find the major underlying influence on anything. However, the markets are so flustered by so many things at the moment we have the opposite problem; which of the myriad influences is most important. If I run through a few market movers, you will see what I mean.

The New Zealand Dollar is clearly benefiting from the already high interest rates which suck in investment funds and the prospect for even higher rates which were heralded by the Reserve Bank of New Zealand when they last met. We are not expecting an interest rate hike until the middle of the year but it is already April so that is approaching fast. However, most NZ data has been rather upbeat of late and the Kiwi Dollar is often swept along with the neighbouring Australian Dollar which is benefitting from solid levels of Chinese demand for its exports.

And on the subject of China, the tight grip that Chinese authorities have always held on the Yuan is, according to some analysts, about to be loosened. That would allow the Yuan to strengthen, making Aussie and Kiwi products less expensive to their Chinese customers and therefore, presumably boosting the value of both Australasian currencies. However, there is an argument that strength in the Yuan would cause weakness in the Australasian currencies; the rationale behind this would take far more column inches than I can devote to it here and would probably send us all to sleep but it relates to the way that investors tend to buy Australasian currencies as a proxy for the Chinese Yuan because it is hard to trade in the Yuan outside China.

On the northern hemisphere side of things, Sterling is finally starting to find its feet again. This comes after two years in which the Pound has been substantially weakened by the depth of the recession and the reliance of the UK on financial services; a sector which was very badly affected by the downturn for all the reasons we already know. The reason for this little purple patch is that the recent UK data has been notably better than at any time in the last couple of years.

## CURRENCY MARKETS – A LITTLE LESS CONVERSATION AND A LITTLE MORE ACTION PLEASE. (con't.)

The final calculation for economic growth in quarter 4 2009 edged a tad higher to 0.4%, new car sales were up 26.6 percent on the month in March as the change of registration suffix attracted far more buyers than previously forecast. In addition, the Bank of England kept the base interest rate on hold at 0.5 percent and chose not to increase the level of cash injections it has shunted into the financial markets in an attempt to stimulate growth. And on the housing market front, according to the Halifax, UK house prices rose in March at their fastest pace in nearly 3 years. All of that is great news for the Pound which would be far stronger were it not for the fact that we are in the midst of an election battle and the ominous cloud of a hung parliament hangs over us all.

And just to add another little twist, The New Zealand Dollar also relies on the value of the US economy to some extent. The US and NZ are trading partners but that isn't the point; economic confidence is what drives this relationship. When confidence rises in the US, it filters through to the rest of the world because its suppliers will see an upturn in fortunes and investors will see an upturn in financial markets. So while the US economy remains on the brink of, but not actually in the throes of recovery, the New Zealand Dollar and the Pound will remain in uncertain territory. However, when America does start to post solid growth figures and its consumers start to ... well consume, and when the UK election is out of the way and the winning party announces its debt reduction plans, then we will start to see a correction in this historically impressive NZ Dollar strength and this pathetically limp Sterling performance.

So all of these influences have their part to play in the current levels of volatility and will do so for the next few months. Until then, we will have to put up with politicking and arguing and very little doing.

I think I'll try sleeping and hiding instead.

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**



## WORKING WITH NEW ZEALAND RECRUITMENT AGENTS

Like everything there is likely to be subtle differences in how recruitment agents operate in New Zealand compared to your home country. Having worked in the industry in New Zealand, Australia and United Kingdom I do believe there are a few tips which could make your experience with recruiters more positive.

It is my opinion that the recruitment industry as a whole in New Zealand adds more value for both employers and job seekers. Primarily this is because the average tenure of a consultant in the industry is longer compared to the UK for example. Like any unregulated industry there will be some who let the side down but you should find our recruiters are more experienced in their specialist areas. This said as a professional immigrating to a new country you need to be proactive and would encourage you to consider the following when working with recruitment agencies:

- 1 Choose your agents carefully. Ask for referrals, research websites and assess their skills via telephone rather than relying on email dialog.
- 2 Don't just apply to the first agent you see on a job board.
- 3 Initially choose a maximum of three consultants to work with. Even try working with one exclusively and you might be pleasantly surprised at the level of service you get. This can very effective in a small market like New Zealand.
- 4 Make sure your chosen consultants will market you proactively to employers rather than just relying on vacancies to arise.
- 5 Listen to what agents tell you in regards to CV presentation and content.
- 6 If you are not happy with the advice given by a consultant, contact another to confirm.
- 7 Keep in touch and be top of mind. Don't rely on consultants to drive ongoing contact.
- 8 Sign up to Skype – it's free! Most consultants should have access.

For further information on employment opportunities, please call **Craig Shutt** of Status Recruitment on **+64 3 363 7220** or email him at **jobs@statusrecruitment.co.nz**



## CONFIDENCE, NO TRICK

Last week's activity indicators underscored the level of confidence in those sectors that we expect to drive growth over the next year.

Residential building consents rose 5.9% in February, reasserting their upward trend after two months of declines. Apartment consents remained very weak, though with just 13 approved in February, it's fair to say that they have hit rock bottom (any fewer and they wouldn't be apartments, they'd be standalone houses). Excluding apartments, consents were 10% higher for the month, and are up 57% from the record lows seen a year ago.

The uncertainty around changes to the tax treatment of property in the May Budget has weighed on the housing market in the last few months – house sales have dropped sharply and listings have picked up, while building consents softened in December and January. But the rebound in consents in February suggests that builders and developers are prepared to push on despite this uncertainty.

A rebound in homebuilding activity is a key part of our (and the RBNZ's) above consensus growth forecasts, especially for this year. The arithmetic of the housing market remains stark: current levels of building activity are not sufficient to meet population demand, which has been boosted in the last year by a drop in the number of New Zealanders heading overseas. There are three ways this can be resolved: either supply increases of its own accord, prices of existing houses are squeezed higher (which in turn could induce more supply), or population pressures ease (Australia is once again becoming an attractive destination for jobseekers). In practice, we expect to see a mix of all three.

For further information contact **Richie Owen**, Migrant Banking Manager on **+64 3 3439663** or Email: **Richie\_owen@westpac.co.nz**



The New Zealand real estate market has had a calm beginning to 2010. The usual summer influx of listings hit the market late January to February. This year sellers entered the market optimistic that the worst of the market correction was over and they, collectively, believed there was enough strength to expect higher prices. However, the surge of listings took place at the same time as the Government had been discussing tax reforms specifically aimed at property investors. Buyers have therefore been extremely cautious, with many waiting until the budget announcement before they will commit to any purchase. The result has been an overall drop in the volume of transactions. This has been picked up in the media and we have had a return to headlines of 'slumps' and 'doom and gloom'!

The reality has been that time has worked through the oversupply of houses for sale – and the most feared tax changes - an introduction of capital gains tax and some form of land tax - have been ruled out. All that the Government appears to be considering is a change to rules about depreciation allowances, which will not fundamentally change how many investors operate and will have no bearing on people buying their main residence.

Couple this with a growing consensus that official interest rate increases are further away, and we have seen volumes growing steadily – some reports from Auckland suggest that the number of transactions is better than this time last year.

For further information and advice about the general property market in New Zealand please contact **Tim Harris** of Harcourts on **+64 3 355 6116** or email him at **tim@timharris.co.nz**

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