



## AUGUST 2010

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### SKILLED MIGRANT CATEGORY POOL SELECTION

There were three draws from the Skilled Migrant Category (**SMC**) pool in July. The pass mark for the draws that took place on 1 July, 14 July, and 29 July was 120 points for all Expressions of Interest not including offers of skilled employment. All draws however also required applicants to claim a minimum total of 10 points for work experience held in an area of absolute skill shortage.

Citizens of India were the largest nationality by draw in July (18%), followed by Great Britain (14%).

### IMMIGRATION COMPLAINTS TRIBUNAL

Under the Immigration Advisers Licensing Act 2007 the Immigration Advisers Complaints and Disciplinary Tribunal (**Tribunal**) was established to hear and deal with complaints against licensed immigration advisers.

Despite registration now being mandatory for all individuals providing immigration advice (apart from New Zealand lawyers who are already professionally regulated) the Tribunal has failed to appoint a head to allow the Tribunal to hear the mounting backlog of complaints that have been vetted by the Immigration Advisers Authority against licensed immigration advisers as requiring a hearing.

General concern has been expressed due to the backlog of complaints and the lack of accountability where migrants are still not being provided the protection they are entitled to from licensed immigration advisers under the Act.

The view of the writer in relation to the anticipated number of complaints has been confirmed although it is of grave concern that despite a backlog of complaints these complaints are not being heard and the licensed immigration advisers associated with these complaints are free to continue to operate their businesses and provide their "services" to unsuspecting new migrants.

It is imperative that the Tribunal is set up and operated as soon as is possible to hear the mounting number of complaints. The longer the Tribunal sits idle and fails to deal with the backlog of complaints, the slower the process in relation to weeding out the poor and/or negligent advisers who currently survived the licensing regime (somehow).

Our firm is quite familiar with a number of licensed immigration advisers who should not have been provided licenses nor should they have the ability to continue operating, based on instructions we have received from clients who have transferred to our firm either dissatisfied with the service provided or have been required to transfer to our firm to resolve a complicated immigration issue which, in some instances a significant part of the fault lies with the previous adviser they had instructed to assist them.

The "idle Tribunal" is an appropriate warning to individuals looking to migrate to New Zealand who wish to use a licensed immigration adviser. Individuals who engage licensed immigration advisers are simply playing Russian roulette at this stage, and it is hoped that the appropriate Department appoints a head for the Tribunal to allow the Tribunal to start hearing these complaints and deal with these licensed immigration advisers who should not be practising in the industry.

If you are going to instruct a professional organisation to assist you in the immigration process do not simply rely on the marketing material provided by that business. Research immigration lawyers and licensed immigration advisers, including attending a number of online forums where you will be able to receive advice from individuals who have engaged professional organisations to assist.

### **IMMIGRATION COMPLAINTS TRIBUNAL (Con't)**

The true value in a business operation is the feedback and thoughts of individuals who have received the service of that organisation. Many licensed immigration advisers spend considerable amounts of money on front end marketing to land instructions, although do not provide the professional level of service promised at the start.

*Immigration Complaints Back-up as Tribunal Sits Idle : NZPA 8 July 2010*

### **SUCCESS OF INVESTOR CATEGORIES**

At the annual conference of the New Zealand Association for Migration and Investment (**NZAMI**) Immigration Minister Dr Jonathan Coleman commented on the success of the new business migration package that was introduced approximately 12 months ago.

Based on current statistics, 34 applicants worth NZ\$91million have either been approved for funds transfer or transferred their funds to New Zealand already under the current investor policies, with a further 88 investors worth NZ\$188million currently being processed.

Dr Coleman also commented on the issue encountered under immigration regulations regarding the Chinese Government rules in place which make it very difficult for citizens of China to transfer significant investment funds out of China via the international trading bank system. Advice was provided by Dr Coleman that the New Zealand Government is currently in negotiations with the Chinese Government to resolve this particular issue.

It is anticipated therefore that a resolution to the currency transfer issue for Chinese citizens will eventually be found, due to the close economic relations developing between New Zealand and China, the absolute need for New Zealand to source foreign capital, and also (currently) the Chinese Government drive to encourage investment from its citizens overseas.

Whilst companies are able to receive approval to transfer significant funds to invest in overseas jurisdictions, individuals currently are prevented from doing so which is required under current immigration regulations. The reason for the issue is the New Zealand Government's position that funds transferred to New Zealand must have been lawfully acquired and be the applicant's own personal funds.

It is the writer's view that the solution to the transfer issue is quite clear. New Zealand immigration policy must be amended to allow legal transfer of funds in a company capacity from China for an individual business investor.

### **IMMIGRATION CONTRIBUTIONS TO NEW ZEALAND ECONOMY**

In an article in the NBR recently statistics were reported from the Department of Labour regarding immigration contribution to New Zealand's economy and also the effect on New Zealand if we did not have an immigration programme. In terms of contribution, the following is noteworthy:

- In 2006, 25% of New Zealand's work force were migrants, one in four workers. Between 2001 and 2006, 60% of New Zealand's work force growth came from permanent and temporary migrants;
- The inflow of migrants at recent levels is estimated to be worth about NZ\$1.9billion a year to gross domestic product;
- In the year to 30 June 2006, migrants provided a net physical contribution to New Zealand of NZ\$3.3billion, and the New Zealand-born population contributed NZ\$2.8billion;
- Migrants contributed 25% of Government revenue and accounted for 18% of Government expenditure;
- Tourism depends on efficient, reliable immigration services, and in the year ended March 2009, international tourism contributed to more than NZ\$9.3billion to New Zealand's economy.

Without immigration, the following is noteworthy:

- New Zealand would have a resident population of 4.1million in 2021, 9.6% below the 2021 base line population requirements. Consequently, the labour available in 2021 would be 10.9% below the 2021 baseline figure;
- Based on the above scenario, gross domestic product in 2021 would be 11.3% below that of the baseline. Consequently, gross domestic product per capita would be 1.8% below the baseline level;
- The effect of a smaller economy (as above) would be felt most by the export sector where volumes in 2021 would be 12.9% below the baseline. This effect would arise from a higher price level, and reduced competitiveness, which would result from the smaller quantity of labour available;

## IMMIGRATION CONTRIBUTIONS TO NEW ZEALAND ECONOMY (Con't)

- Compared with zero migration inflow, net immigration at recent levels results in a significantly larger New Zealand population of 4.5million and annual gross domestic product of NZ\$248billion in 2021.

The above statistics and information provide quite a clear indication that New Zealand will sustain temporary and long term controlled migration. The direction the Government is currently setting in relation to targeting business and skilled migrants in the long term will continue to be refined in the future and policy adjusted in relation to the needs of the country in the short to mid-term (by way of example Skilled Migrant Category policy has currently tightened due to the recession although business policy has been opened in relation to sourcing capital for investment and as a consequence the creation of employment).

*NBR-Getting Balance on Business Migration*

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)



## TO A LESSER EXTENT

The RBNZ raised the OCR to 3.00% as expected, but hinted at a more moderate path for interest rates over the next few years.

The statement that caught the most attention was: “The pace and extent of further OCR increases is likely to be more moderate than was projected in the June Statement”. Projecting a slower pace of tightening, relative to the front-loaded profile that featured in the June MPS, seems an appropriate response at a time when the most recent data has raised questions about the pace of recovery, both here and overseas.

However, a more moderate “extent” suggests that the RBNZ has also lowered its expected end-point for the tightening cycle a couple of years down the track.

We won't know whether there's been a meaningful change until the next set of forecasts are published in the September MPS. But that's a stronger reaction than we would have expected to a handful of data over a short time frame.

For further information contact **Richie Owen**, Migrant Banking Manager on **+64 3 371 6093** or Email: [Richie\\_owen@westpac.co.nz](mailto:Richie_owen@westpac.co.nz)



## MORE POSITIVE TIMES AHEAD?

While the removal of Budget uncertainty did not provide the catalyst expected, multiple factors suggest more active times ahead in the New Zealand property market.

Harcourts New Zealand CEO Hayden Duncan says there is no question the volume of sales is soft at present, however he is positive about the future. “It was widely predicted that post-Budget there would be a lift in the New Zealand real estate market, once the Government's taxation plans and other changes were known, but according to the latest statistics that didn't eventuate,” he says. “As figures recently released by both Harcourts and the Real Estate Institute of New Zealand show, while there was some variance across sectors and locations, overall there continued to be a low volume of sales in June compared with the same month in previous years. This is primarily due to a slowdown in the previously high volume of investment property and first home transactions, coupled with funding of property remaining tight in comparison to the peak of the markets”.

Mr Duncan says “with both investors and first-home buyers showing caution pre and post-Budget this has impacted activity in the

### **MORE POSITIVE TIMES AHEAD?** (Con't)

lower end of the market however homes at the middle and upper-end have continued to experience strong demand from owner-occupiers. These trends combined have impacted the average written sale price Harcourts reports and the median settled sale price REINZ publishes monthly”.

Looking ahead, Mr Duncan says there is considerable speculation but little consensus about what will happen in the New Zealand property market over the coming months. “With historically low interest rates and lending criteria starting to free up for owner-occupiers, days getting longer, job security and business confidence slowly returning and tax cuts coming soon, I personally can’t help but feel the real estate market will warm up again as we approach Spring”.

Interestingly, a recent QV survey found an increase in the number of people who think now is a good time to buy, with specific questions for property investors finding they intend to keep their current portfolio or buy more properties.

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](mailto:tim@timharris.co.nz)



The Enterprise Group stretches the length and breadth of New Zealand and as such we get a good overview of the New Zealand employment scene. Regionally the unemployment rate is below 5.0% in all regions of the South Island unlike the North Island where unemployment remains relatively high.

Demand in skill shortage areas is still highest in these specialist areas, and as such we would welcome contact from candidates within these general areas:

Consulting & Corp. Strategy – Consulting

Construction – Surveying

Healthcare & Medical – Nursing/Midwives

Legal – Solicitor: In House

Chartered Accountants.

Given the strong improvement reported in the March 2010 quarter, it was widely expected that we would see some weaker results for the June 2010 quarter. However, while the June 2010 quarter results were clearly weaker than most people had forecast, the labour market is in a better position now than it was at the end of 2009. The NZ Department of Labour expects the labour market to continue to recover slowly over 2010, although further volatility is expected. Over the remainder of 2010, we expect employment to rise in line with the Department’s Leading Indicator of Employment and Jobs Online indicator as well as above average employment intentions from business surveys. The unemployment rate on the other hand is expected to trend down gradually, falling to 6.0% by mid 2011.

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](mailto:steve.baker@enterprise.co.nz)



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### **WHY IS THE KIWI DOLLAR CHEAPER, ME OLD CHINA?**

Australasia has had a pretty good global recession in comparison to the turmoil that has beset Western Hemisphere countries. The effect on the banking system in the UK, US and Europe has had repercussions right across the economies of these countries and regions so it is perhaps not so surprising that the ‘better regulated’ banking sectors in Australia and New Zealand escaped the worst of the credit crunch and the effects on their domestic economies was therefore less harsh.

## WHY IS THE KIWI DOLLAR CHEAPER, ME OLD CHINA? (Con't)

But whilst these are Island states we are talking about, they do not operate in an economic vacuum and the big plus that these countries have had through the last two years has been the driving force of China. Exports to China have kept both Australia and New Zealand buoyant and whilst China represents the main destination for Australia, it is also the 2nd largest buyer of New Zealand's exported products.

Sadly for both countries, China is scaling back its domestic investment and therefore bringing a decline in demand to the Australasian countries. We heard on the 10th August that China's imports in July grew at 22.7% which looks fantastic at first glance but when you compare it to June's growth of 53% and the growth in exports from China of 38%, you realise these are not the economic numbers of a normal country. But China has shown its resolve in ceasing production at 2,000 companies in order to slow the pace of growth. It is no surprise then, that the previously buoyant New Zealand business confidence index is slowing, and that New Zealanders are reining in their spending on the high street and in the housing market.

This is clearly not good news for those who fear a second round of recession across the globe but it has presented an opportunity for those seeking to move to New Zealand because the Pound has started to consolidate its gains over the last 6 months just as the NZ Dollar is starting to weaken a tad. That means we have seen the Pound try to get through NZ\$ 2.20 on a couple of occasions in the last few months – unsuccessfully I must add – and it means we are still very near the top of the Pound's trading range with the NZ Dollar as I write.

There is clearly no guarantee that the Pound will make any further headway, nor that the obvious plans China has to slow its economy will be sustained or any more swinging than they have already been but making hay while the sun is shining has never been a characteristic lacking in Brits; especially those with the gumption to up sticks and move to the other side of the world.

Taking advantage of this little ray of sunshine would seem to make perfect sense in a world where the next market movement is so utterly unpredictable and where the gains that the Pound has managed to make have still put 8 percent more Kiwi Dollars in your pocket now than you would have had just three months ago.

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**

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