



OCTOBER 2010

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CANTERBURY EARTHQUAKE

It has now been a month since the Canterbury Earthquake.

The region has demonstrated its resilience over the past month with 90% of businesses “back to normal”.

In respect to the demand for skilled employees in certain sectors which will be relevant and required to assist with the rebuilding of those homes and businesses that have been affected, it is likely that the demand for those skilled individuals is only likely to become apparent moving into 2011 when the majority of insurance claims are assessed and funds are available for significant repair and/or rebuilding.

There is still accommodation shortages within the region and most likely accommodation will be quite tight (from a housing perspective) for quite a significant period of time. We re-iterate our advice therefore for migrants travelling to the region to seek employment opportunities created by the earthquake in the Canterbury region to make sure that sound planning and confirmation is put into place to secure accommodation in the region before booking flights.

SKILLED MIGRANT CATEGORY POOL SELECTION

There were two draws from the Skilled Migrant Category (SMC) pool in September. The pass mark for the draws that took place in September was 120 points for all Expressions of Interest not including offers of skilled employment. The draw of 8 September however also required that applicants claim a minimum of 15 points for work experience in an area of absolute skill shortage, and the draw on 22 September required applicants to claim a minimum of 10 points for work experience in an area of absolute skill shortage.

Citizens of India were the largest nationality by draw in September (20%), followed by Great Britain (14%).

MINOR CHANGE TO LONG TERM SKILL SHORTAGE LIST

In addition to the substantive changes to the Long Term Skill Shortage List (LTSSL) that became effective on 8 September 2010, Immigration New Zealand (INZ) has recently changed the listing for “Chef” under the LTSSL. From 1 October 2010 the notation “Level 5 Diploma in Professional Cookery” has been removed and the following “A National Certificate in Hospitality (Cookery) Level 4 or a Level 5 Diploma (Specialising in the area of Professional Cookery)” has been added.

LIFT IN NET MIGRATION

For the second month in succession, a net migration gain was noted in the latest figures released by Statistics New Zealand.

The difficulty however in terms of a long term trend is that the net migration figures are at a low level and are not sufficient in order to address anticipated skill shortages as the country slowly moves out of the recession.

The lower total net migration figures despite the increase over the last two months in the writer’s view are also a concern in terms of the need for skilled individuals of various professional and trade disciplines associated with the recovery and rebuilding work to be undertaken in the Canterbury region moving into 2011.

Source (in part) - New Zealand Press Association – 22 September 2010

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



The winter appears to have left us as we enter the third quarter of this financial year. The recent Canterbury Earthquakes along with the severe snow storms of the deep south have stalled the seasonal uplift business tends to experience at this time of the year. As such recent anecdotal evidence suggests New Zealand employers are holding off on making firm growth plans. Mixed messages have been prominent of late with world wide financial insecurity still a concern however recent local electronic and hard jobs advertisement numbers; especially for senior positions; have climbed significantly and this tends to contradict the pessimistic outlook. A recent survey of New Zealand employers indicates hiring intentions for the next quarter may have stalled.

“We’re hearing varying reports on the state of the world business climate, with some predicting a global ‘double dip’ recession and others holding out hope for continued recovery. These sorts of conditions can make employers more cautious,” said a prominent recruiter in the New Zealand setting. He added, “We often see a slight drop off in hiring in the lead up to Christmas, but it appears to be minimal this year. This is a good sign, and points to some resilience in the jobs market.”

Employment optimism is strongest among employers in Finance, Insurance & Real Estate along with Transport and Utilities.

“The employment market is always going to be varied across industry sectors and we’re now seeing evidence of a two-speed labour market, with some industries returning to pre-recession levels faster than others,”

“However, in reaching those levels, many industries are experiencing some turbulence as employers try to gauge the recovery. Sectors like Finance, Insurance and Real Estate and the Services Sector generally (which includes IT and Law) have seen high fluctuations in hiring expectations over the past year.”

Now is a good time for employers to take stock and work on their organisation from the inside out. Employers may not have a firm grip on what the near-term business climate holds in store, however what they are doing is going ‘back to basics’ with a focus on building the capability and productivity of their existing workforce. Smart companies will invest in this area over the coming months, and ensure they get it right, before the real growth begins.

Opportunities continue to present in the market place and our group has recently placed a number of high profile executive level positions, in the \$200k pa bracket. I commend those of you maintaining your network and would encourage those of you too busy to contemplate building your networks top reconsider, as opportunity springs eternal for those whose eyes are open for it.

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



As Harcourts’ latest figures show, last month new exclusive listings were up nine percent on the same time last year as sellers decided to take action in time for Spring, including a good number in the mid-upper end - which may see more balance in that segment of the market.

The volume of written sales recorded by Harcourts was down though compared to the same month last year, as was the case across the industry as the latest REINZ figures reflect. However, in part due to the limited availability of quality higher-end homes, the average written sales price in all of our regions increased.

With spring there is increasing activity from buyers and sellers so it will be interesting to see the final September figures, particularly for Christchurch where we expect strong demand from owner-occupiers for sound homes and increased interest from investors too, with rental vacancies being very low.

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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WHAT ON EARTH (WOE) IS HAPPENING WITH THE POUND?

The problem with the Sterling – New Zealand Dollar exchange rate right now is the ‘Sterling’ bit. The Pound appears entirely unable to make any headway against the NZ Dollar while we await a number of important events in the months ahead and we have a whole heap of acronyms to contend with in order to understand what is going on.

RBNZ – the Reserve Bank of New Zealand has made it clear that they will act to stimulate the economy if necessary but it seems their greater fear is the threat of higher inflation and that raises the potential for higher interest rates. International investors are all in search of higher interest rates at a time when US, Japanese, EU and UK interest rates are near 0%. As investors flock to the higher yield in Australasia, the NZ Dollar strengthens.

QE – Quantitative Easing is the much talked about, broad name for increasing the availability of money in the money markets. There is a very real chance that the Bank of England (BOE), European central Bank (ECB), US Federal Reserve (doesn't have an acronym, just a nickname, ‘the Fed’) and the Bank of Japan (BOJ) will expand the amount of money available to the financial services industry in the next few months. New Zealand, by way of contrast, has been raising interest rates – in effect reducing liquidity in the last year because, with China and the more resilient Asian markets as export clients, New Zealand has weathered the storm rather better than those other countries.

CSV – the results of the Comprehensive Spending Review being undertaken by the UK government is due to be revealed in October and we are already seeing small leaks and pre-emptors to that report. Fear of the cuts and the various checks and balances necessary to reduce the UK government budget deficit with as little political fallout as possible is damaging the Pound's popularity at the moment but that is likely to change once the detail is in the public domain.

OMG – Oh My Goodness is what most traders and investors are saying on an hourly basis. (This is in fact a cleaned up version of what they are saying but you get my point). They would of course never admit as much but it seems that all central banks have been tasked with keeping their country's currency weak to help export led recovery but not every currency can be weak; they are all measured as ratios against other currencies, so for one to weaken, there must inevitably be a currency that is stronger. The currencies in the latter camp are the Chinese Yuan, the Euro and the Australasian Dollars.

Making good decisions if you need to buy any of the currencies is a matter of prudent risk protection and expert timing. With these two disciplines and an expert to help in the timing, you can buy well and position yourself to avoid loss.

With luck and a fair wind, the pound will slowly start to turn the corner and will end the year with some upward momentum. It could be UUA (Up Up And Away); let's just hope it isn't GBP RIP.

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**



CAPITULATION

The Reserve Bank delivered an astonishing about-face in last week's Monetary Policy Statement.

Only a matter of weeks ago it was anticipating respectable economic growth, warning that interest rates were still extraordinarily supportive, and cautioning businesses against raising prices under the cover of the upcoming GST hike. Now, the RBNZ expects the economy to run below potential for years to come, believes that only a gradual further tightening of policy is needed, and has simply assumed that second-round price effects won't happen because of weak demand.

It's difficult to find the basis for this change in judgement. Retail sales, household lending and building consents have grown only slowly; house prices have flattened out and sales remain weak. But these are not new stories in the last three months. It seems instead that the RBNZ has simply given up on waiting for signs of improvement and has backed away from its domestic recovery story.

WESTPAC (Con't)

Fixed vs. floating: The RBNZ's change of heart 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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