

NEW ZEALAND

SOME FACTS & FIGURES

HISTORY

New Zealand was settled by Polynesian travellers in approximately 900AD. The Maori people migrated from the countries in the Pacific Ocean. The first European recorded to have discovered New Zealand was *Abel Tasman* of the Dutch East India company. In 1769 the English navigator and explorer, *Captain James Cook* claimed New Zealand in the name of the King of Great Britain. The British Government at that time had no interest in New Zealand.

In 1838 Captain *William Hobson RN* was offered a position of consul to New Zealand. He arrived in New Zealand in 1840 and on the 6th of February 1840 the Maori Chiefs ceded sovereignty to the Crown under the "Treaty of Waitangi".

By 1853 New Zealand had a limited form of self government subject to the right of Britain to pass laws for New Zealand if it chose.

By 1907 New Zealand was largely self governing and it became a Dominion. The Statute of Westminster which gave the right to the Dominions of the British Empire to become fully independent was passed by Britain in 1931. South Africa adopted the Act immediately but New Zealand delayed adopting it until 1947.

New Zealand is a constitutional monarchy. However, the Queen's duties are largely ceremonial and administration of the Government is in the hands of the Ministers. In reality New Zealand is a democracy with a tradition of parliamentary government. New Zealand's constitution is contained in a number of Statutes and Customary Law. The Government is divided into:

1. Parliament and the House of Representatives.
2. The Executive (Ministers of the Crown).
3. The Judiciary - New Zealand's Judiciary is independent and based on the British system.

General elections are held every 3 years.

GEOGRAPHY

New Zealand consists of the North Island, South Island, Stewart Island and a number of smaller islands. New Zealand's total area is 270,000 square kilometres and is approximately the same size as Japan and Britain.

The South Island is divided by a range of mountains known as the Southern Alps. The North Island has a central mountainous plateau incorporating thermal areas.

CLIMATE

The annual temperatures decrease steadily from the sub-tropical north where mean temperatures are 15 degrees celsius, to 13 degrees celsius in Wellington and 10 degrees celsius in Southland. January and February are the warmest months and July the coldest. Temperatures in the Auckland area in the summer months vary from low to mid 20 degrees celsius to early 30s. The wettest months in the North Island and the north of the South Island are the winter months of June to September. In the South Island spring is the wettest time.

EMPLOYMENT

As from the 15 May 1991 Unions became voluntary incorporated societies. Workers are free to choose whether or not to belong to an incorporated society and in dealings with their employers, to represent themselves and negotiate their own employment contracts either individually or collectively with other employees.

EDUCATION

Apart from private schools, education in New Zealand is largely Government funded. Schools are now run in partnership between parents, and the community and teachers. The administration of schools is delegated to a Board of Trustees of each school. The Board of Trustees consists of parents and teachers. The typical cost of public school per child would range from \$150 - \$250 per annum per child. Private schools vary but a typical cost per year would be \$7000.to \$12,000. Education is compulsory between the ages of 5 and 16 years.

HEALTH

The New Zealand health system is made up of public, private and voluntary sectors which interact in providing and funding health care. Until recently the public sector provided free treatment at hospitals. While continuing to accept the overall responsibility for setting the National Health Policy the Government has introduced a user/pays system and reformed the health sector to restrain Government spending and reduce inefficiency and waste and promote health and disease prevention in order to reduce the need for care. An average cost of a visit to the doctor for an adult varies from area to area but \$30.00 to \$40.00 is typical.

SOCIAL WELFARE

New Zealand's Social Security schemes are non-contributory. Benefits are funded from general taxation. Benefits are generally income tested with exemptions being allocated to certain levels in most cases. There is a guaranteed retirement income available to people over 65 years. Other benefits include widows benefits, sickness, unemployment and domestic purposes benefits. Benefits are also resident tested and eligibility ranges from 24 months to 10 years. Benefits are payable at flat standard rates with allowances in differing circumstances. There is a no fault accident compensation scheme in force for victims of accidents.

BANKING AND FINANCE

The Reserve Bank of New Zealand is the central bank now operated under an Act of Parliament. The Reserve Bank's main functions are to formulate and implement monetary policy to achieve stability and prices : to monitor registered Banks : to manage note and coin issue : and to implement exchange rate policy. In recent years New Zealand's inflation rate has been between 1 to 3.5% per annum. There is no control on the amount of money residents may remove from New Zealand. Other major registered banks are the Bank of New Zealand, Australia New Zealand Banking Group (New Zealand) Limited, National Bank of New Zealand, Westpac Trust, ASB Bank Limited. In 1967 New Zealand introduced a decimal currency system. The unit of currency is the dollar. This consists of 100 cents. Current exchange rates are approximately:

\$1.00NZ = \$US 0.71

New Zealand's weights and measures are also on the decimal system.

POPULATION

New Zealand has a population of 4 million. The North Island has approx. 3 million and the South Island 1 million. Approximately 12% of the population are of Maori descent. New Zealand is a nation of immigrants. The Maoris first arrived here some 1000 years ago. There was a large influx of immigrants following discovery of gold in Otago in the South Island in the 1860s. Unlike Australia, New Zealand did not open its doors to immigrants after World War II. However, migration continued mainly from Britain, Holland and the Pacific. Auckland's population is a little over 1 million. Wellington's population is 500,000. Christchurch's population is 308,000. Dunedin's population is 109,500.

HOUSING AND REAL ESTATE

There are generally no restrictions on overseas persons purchasing residential, commercial or industrial land. Some restrictions can apply when the land value is in excess of 10 million dollars. There are currently some restrictions on overseas persons purchasing farm land over 5 hectares without the consent of the Overseas Investment Tribunal. House prices vary from region to region. In Auckland in what would be considered a middle class suburb, prices for a 1200 to 1500 square foot three bedroom house on a 650 square metre section would range from \$300,000.00 upwards. In more affluent areas prices would start at around \$600,000.00. Mortgage finance is readily available from Banks. Criteria for lending varies but purchasers are generally required to provide a minimum 10 - 15% of the value of the property and demonstrate an ability to service the borrowings. As a rough rule of thumb, most institutions prefer not to see mortgage outgoings exceeding 30 to 35% of gross income. It is not necessary to have a history of savings with a Bank to obtain a loan. Interest rates at the moment for residential mortgages are around 6%. Renting costs vary with the standard of house however a Landlord with a house worth around \$300,000.00 could expect to receive a rental of \$300 - \$450 per week. More modest and comfortable accommodation would be available between \$250 - \$350 per week.

TAXATION

Individuals

For the year ending 31 March 2009 Company and individual tax rates are as follows:

Taxable Income	Rate of Tax- individual
. \$0 - \$14000.00	12.5%
. \$14001.00 - \$40,000.00	21%
. \$40,001.00 - \$70,000.00	33%
. \$70,000.00 and over	38%

Companies

Resident New Zealand companies pay income tax at a flat rate of 30 cents per dollar for every dollar of taxable income.

Capital Gains Tax

There is no capital gains tax as such in New Zealand. However, where an asset (including land and shares) is purchased for the purpose of re-sale or purchased with the intention of making a profit, the profit is treated as assessable income.

Goods & Services

Tax

"GST" is a value added tax applied to all goods and services supplied in New Zealand by a registered person carrying out a taxable activity. The current rate of tax is 12.5%. Some services such as financial services provided by Banks are exempt from GST and some transactions for example the sale of a business as a going concern are zero rated for GST purposes.

AUCKLAND

Known as the "*City of Sails*", Auckland is situated on an isthmus bounded by two harbours, the Manukau which empties into the Tasman Sea and the Waitemata (which means sparkling water) on the Pacific side. The Waitemata harbour is dotted with a number of islands and is considered to be one of the most attractive harbours in the world. With safe beaches, fishing, diving, sailing the Waitemata Harbour provides Auckland and visitors with a natural recreation area. Auckland is well provided with sports grounds and entertainment facilities. Two hours to the north of Auckland is the Bay of Islands renowned for its big game fishing. 3½ hours south is the central plateau which provides winter skiing and hunting and excellent trout fishing all year round.

AUSTRALIA

At the present time, permanent residents from Australia have free access to New Zealand to live and work. While the same applies to New Zealand citizens wishing to go to Australia to live and work, it does not apply to permanent residents of New Zealand. However, recent statements by both countries' Prime Ministers, indicate that New Zealand and Australia may share a common border in the near future which should remove that barrier. New Zealand and Australia share a special trading relationship known as the Australia/New Zealand Close Economic Relations Trade Agreement (CER). CER guarantees New Zealand access to Australia in certain specified industries.

CITIZENSHIP

To qualify for citizenship, applicants must have been resident in New Zealand for 5 years and be of good character.