

Broadbase International Newsletter - July 2009

This month we explain what the New Zealand Superannuation Fund is and why it has been in the news recently, take a look at some of the bad press New Zealand Immigration has been getting, and celebrate Maori Language Week.

The New Zealand Superannuation Fund

Most New Zealand citizens and permanent residents become eligible to the state retirement pension, New Zealand Superannuation, when they turn 65. New Zealand Superannuation is currently pegged at 66% of the average national wage, which is quite generous by international standards.

New Zealand has made provision for funding New Zealand Superannuation for the population bulge caused by baby boomers with a special fund called the New Zealand Superannuation Fund. The NZ Superannuation Fund was established in 2001 and is also known widely as the Cullen Fund and the NZ Super Fund. By law the government is not allowed to draw on it until 2020. Up until this year the New Zealand government has been making generous contributions to the fund.

The government announced in the recent NZ budget that it was not only freezing government contributions to the NZ Super Fund, but that it did not envisage making further contributions for at least 10 years. Like every other government, the NZ government has been affected by the global market downturn and the credit crunch and this is one way for it to save money.

This has caused widespread unease in New Zealand, as the state pension is a major part of most people's provision for their retirement. The NZ government has committed to continuing to fund a universal state pension from the age of 65 at current rates, but other countries are having a lot of trouble funding their state pensions – the Australian government has just announced that their pension age is increasing to 67, and the UK pension age is going up to 68. So the lack of funding of the NZ Superannuation Fund may have a direct impact on those retiring in the future, with a date of 2030 being mooted as being the time by which you would ideally have reached state pension age to get maximum benefit from the scheme.

If you have doubts about whether the government of the day will be able to provide you with a New Zealand Superannuation benefit of 66% of the average wage from the age of 65 by the time you retire, it might be time to start thinking seriously about making independent provision for your retirement. Please contact us for more information about the best way to build up your retirement savings.

For more information on your eligibility for NZ Superannuation and current pension rates, [see the NZ Superannuation article on our website](#).

For more information on the New Zealand Superannuation Fund, including its history and performance, [see the NZ Super Fund website](#).

Are Migrants Still Welcome in New Zealand?

You may have seen the recent stories in UK and NZ news lately following the plight of several migrant families who came here on work or work-to-residence visas but have been made redundant and had to go back home. There are also a number of people who were here in New Zealand on work visas but have not had these renewed as their occupation is no longer on the New Zealand Immigration skills shortage list. One of our partner organisations, Move2NZ, has done a very good job of highlighting some apparent inequities in the immigration system – but you may be wondering whether migrants are still welcome in New Zealand.

Well, the answer is an emphatic **YES** – it is widely recognised that migrants are necessary to the New Zealand economy, and migrants are still applying and being accepted to come and live here. Migrant quotas have not been reduced, but the skills shortage lists (the lists of occupations where there is a particular shortage of qualified workers) has been revised to reflect the current job market – and to protect the jobs of New Zealand's existing citizens and permanent residents. It is harder to get a job in New Zealand than it was last year – but the same can be said for the UK, and many other countries. New Zealand's unemployment rate of 5% still looks positively healthy in comparison to the UK (7.9%) and the USA (9.5%).

It is worth noting that where possible, securing a permanent residence visa will give you the most flexibility in the current economic climate. Paul Goddard from New Life New Zealand, another of our partner organisations, offered the following sensible advice to migrants: "Remember, if you take a work permit, it is temporary and if you lose your job things can be tough. Moving over without a job offer in place is also quite risky... There are many ways to move to New Zealand and many different types of visa and permit, and you need to fully understand what that means to your move for your family before you make the move."

Insulation and Heating Grants

The “Warm Up New Zealand” insulation and heating grants we mentioned in our newsletter last month are now available to eligible householders. For more information see the Energywise website, www.energywise.govt.nz/funding-available/insulation-and-clean-heating.

Maori Language Week

Maori Language Week is coming up at the end of this month. Most New Zealand children learn some Maori at primary school, and many schools have a Kapa Haka (Maori performing arts) group. If you ever need to help with homework, there is a great Maori language resource at www.korero.maori.nz/forlearners/http://www.korero.maori.nz/. Just out of interest, we've made a list of some of the Maori words and phrases you'll frequently see used in New Zealand. A non-Maori speaker would probably not use most of these words in their everyday speech, but they are the kind of words that are widely understood - for example, they are used but not automatically translated in the newspaper:

| | |
|----------------|---|
| Aotearoa | New Zealand |
| aroha | love |
| haere mai | welcome |
| haere rā | good bye |
| hāngi | underground earth oven, a feast |
| hongi | to press noses, a greeting |
| hui | meeting |
| iwi | tribe |
| ka pai | that's good, well done |
| kai | food, meal |
| kapa haka | Māori performing arts |
| kaumātua | elders |
| kete | basket |
| kia ora | hello, thank you |
| koha | gift, donation |
| kōhanga reo | Māori language pre-school |
| kumera | sweet potato |
| mana | power, status |
| Matariki | Maori New Year, generally in June |
| Maoritanga | Māori culture |
| marae | traditional meeting house |
| moko | tattoo |
| mokopuna | grandchild |
| ngāti | prefix before a tribe |
| pa | hill fort |
| Pākehā | New Zealander of European descent |
| paua | abalone (a shellfish) |
| poi | balls on string swung in circles |
| pounamu | greenstone |
| pōwhiri | welcome |
| puku | stomach |
| rangatira | chief |
| tamariki | children |
| tangata whenua | people of the land |
| tangi | funeral |
| taniwha | monster |
| taonga | treasure |
| tapu | forbidden, sacred |
| tēnā koe | hello (to one person), thank you |
| tēnā koutou | hello (to a group of people), thank you |
| tiki | pendant worn around the neck |
| waka | canoe |
| wānanga | university, polytechnic |
| whakapapa | genealogy, lineage |
| whānau | family |
| whare | house, meeting house |

We need testimonials please!

We're looking for more testimonials to use on our websites and in our marketing material. Whether you're a happy client, or you enjoy reading our newsletter, or you've found our guides and websites useful, we would very much appreciate it if you would write few lines and send it to [Jeremy](#), [Steve](#) or [Vivecca](#).

Until next month...

Wishing you well until we are next in touch. Please feel free to contact [Jeremy](#), [Steve](#) or [Vivecca](#) any time if you have any questions about the financial side of life in New Zealand.

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