

Broadbase International Ltd Newsletter – June 2010

Here in Christchurch we're recovering from the first blast of winter weather, with our first frosts for the season and a couple of very wet weeks – including the wettest week in 36 years in the final week of May.

Television New Zealand is currently celebrating [50 years of TV in NZ](#) – broadcasts started long after those in the UK, even allowing for the WW2 shut-down of UK TV stations, and it took until 1989 for the first commercial station (TV3) to start operating in New Zealand. If you're about to emigrate and you are wondering whether your UK TV set will work in New Zealand, or even whether you should bring your Freeview set-top box with you, [check our shipping list](#).

In our newsletter this month we take a look at the latest immigration statistics and review the changes in the 2010 Budget. We're also pleased to bring you our first book review!

Latest Immigration Statistics

Statistics New Zealand have released their latest [International Travel and Migration figures](#), which show how many people arrived in New Zealand and how many left, and their respective places of origin and destinations. We were highly amused to see this reported in the New Zealand Herald under the title [British Invasion Lifts Migration Stats](#).

And you'll probably be interested to hear that Immigration New Zealand has revealed that one-fifth of their decisions are considered "[poor and questionable](#)". This is an improvement on the previous figure of nearly one-third of their decisions...

New Zealand Budget 2010

The New Zealand Budget for was announced on the 28th of May. It was widely regarded as quite a positive budget, with tax cuts and increased spending designed to stimulate the economy and encourage investment. The main points were:

- [GST](#) will increase from 12.5% to 15% from 1st October 2010,
- [Superannuation](#) and other benefits will increase by just over 2% from 1st October 2010 to compensate for the rise in GST,
- [Personal Income Tax rates](#) are being reduced for all tax brackets from 1st October 2010, including a 5% drop in the tax rate for the top tax bracket:

Income	Current Rate	New Rate (from 1st Oct 2010)
\$0 - \$14,000	12.5%	10.5%
\$14,001 - \$48,000	21%	17.5%
\$48,001 - \$70,000	33%	30%
Over \$70,000	38%	33%

- The company tax rate will be cut from 30% to 28% from the 2011/12 tax year,
- The [tax rate for investments](#) such as unit trusts and superannuation funds will be reduced from 30% to 28% from the 2011/12 tax year,
- Resident Withholding Tax rates (the tax charged on interest earned on bank accounts) drop to align with income tax rates from 1 October 2010,
- From 1 October 2010 the top tax rate for most PIEs (including KiwiSaver) will be cut from 30% to 28%, and other PIE tax rates will be reduced in line with income tax rates,
- [Working for Families](#) loopholes used by higher income families are being closed – from 1st April 2011 families will no longer be able to reduce family income through investment losses (including losses from rental properties), and income from trusts will be included in income calculations for Working for Families eligibility,
- Property investors (both individual and companies) will not be able to claim depreciation on properties that are expected to increase in value, and no depreciation deductions will be allowed for buildings with an estimated useful life of over 50 years. Deductions for repairs and maintenance will still be allowed,

- Unemployment is forecast to drop to 6.2% in the 2010/2011 tax year.

There was one change in the budget that could directly impact you as a recent migrant – from 1st January 2011 permanent residents will need to have held their permanent residence for two years and to have been resident in New Zealand for two years before they become eligible for student loans. Refugees will not have to meet the two-year requirement. (We've updated our article [Eligibility on a Permanent Residence Visa](#) accordingly – please let us know if there is anything you've come across that we have missed.)

Even with the increase in GST, the drop in personal tax rates is expected to leave most people with at least a few more dollars in their pockets. If you are interested in checking out how the Budget tax changes will affect you, try the online tax calculator at <http://www.taxguide.govt.nz/>.

The UK's new coalition government has announced that they will deliver an emergency budget on June 22nd. Quite drastic cuts to public spending have been forecast, and tax increases hinted at.

Recommended Reading

Have you ever wondered about the origin of the term **£10 Pom**? We read a fascinating book on post-war UK migrants to New Zealand recently, "From the Other End of the World", edited by R.K. Dean. 77,000 Brits emigrated to New Zealand under an [assisted migration scheme](#) between 1947 and 1975, where the NZ government guaranteed employment and accommodation and heavily subsidised travel costs in return for migrants agreeing to stay in New Zealand for two years – anyone who returned early had to pay back the rest of their travel costs.

The 18 migrant families profiled in the book emigrated for a number of reasons, from the lifestyle motivations which are still common today to post-war itchy feet, grief and the desire for a fresh start. The paperwork was minimal – a health check, interview, birth and marriage certificates, service discharge papers, references and school reports – and the journey was a 5-week boat trip through the Panama Canal. One common observation was that wages (then in Pounds) were high in New Zealand but so was the cost of living, and imported goods very expensive. Apparently the shoes available in New Zealand at the time were terrible, and migrants were bemused by the early closing of pubs (and the [6 o'clock swill](#)), dressing up to go to the cinema, and the old cars on New Zealand roads.

The migrants' stories are fascinating, as is the original New Zealand Immigration paperwork that is reproduced in the appendices. It's well worth a look if you can get hold of a copy.

Ask Us for a New Guide!

We send most of our new clients a copy of our [Financial Guide](#), [Pensions Guide](#) or [Acceptable Investment Guide](#) as appropriate. They are an invaluable yet completely free resource for Brits emigrating to New Zealand, Brits living in New Zealand and returning Kiwis. We make constant updates and additions to our Guides, but don't want to bombard you with a new copy every month, so please ask [Jeremy](#) for an updated copy if yours is getting on a bit. And check out our list of the [checklists, fact sheets and other handy bits and pieces](#) available from our UK website.

An Anniversary of Sorts

We started sending out our Broadbase International newsletter exactly two years ago. We appreciate the opportunity to land in your inbox every month. Please let [Jeremy](#) know if you have any suggestions as to what you would like to see more or less of in our newsletter – we would love to know what you think.

Important Dates

UK Fathers Day, Sunday 20th June.

Matariki (Maori New Year) – celebrated throughout June. For more information see [Te Ara, the Encyclopaedia of New Zealand](#).

Until Next Month...

Wishing you well until we are next in touch. Please feel free to contact us anytime if you have any questions about the financial side of life in New Zealand.

NZ Retirement Planning | UK Pension Transfers | Currency Exchange | NZ & UK Tax | Mortgages |
Investments | Insurance

www.broadbaseinternational.com | www.broadbaseimmigration.co.uk

info@broadbaseinternational.com

Information in this newsletter is of a general nature and is not intended as a substitute for professional advice based on your individual circumstances. Disclosure Statements are available on request and free of charge.

If you wish to unsubscribe to our newsletter, please reply to this email with "unsubscribe" in the subject line. If you have been forwarded this newsletter by a friend and wish to subscribe, please email info@broadbaseinternational.com with "newsletter subscription" in the subject line. We will not pass your contact details on to any other organisation without your express permission.

© 2010 Broadbase International Ltd.