Working with Ethnic and Migrant Small and Medium Enterprises (SMEs)

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Overview

• Research and Policy context
• SME workshops and online survey
• Next steps
Policy Context

Maximising New Zealand’s potential for economic growth through the skills, experience and international connections of ethnic communities
What does the literature say?

Knowledge centres:

Business networks:

More likely to succeed

More likely to fail

Understanding laws and regulations...more likely to succeed...targeted services...more likely to fail

Specific challenges

Compatriot and co-ethnic networks

Finance from family and friends
Policy Recommendations

- **Support** in adjusting to the NZ business environment.

- Better *understand* local ethnic business communities.

- Help *establish* connections between ethnic and other NZ businesses to increase opportunities to do business together.
Components of the Ethnic SME Project

- SME knowledge workshops
- ‘Connecting the Regions’ initiative
- www.epicnz.co.nz
- Ethnic SME Survey
SME Knowledge Workshops

Equipping ethnic SMEs with the information they need to operate effectively in New Zealand, and to ensure they have access to the support services they are entitled to.
SME Knowledge Workshops:

Paying tax in NZ

How tax was spent in 2009/10

GST
- A 15% tax on goods (food, clothing) and services (doctors, lawyers)
- Charged on most supplies made within NZ

Running a business
- Paying the right amount of tax is essential
- Find out more by coming to a free business tax workshop or seminar at Inland Revenue
- Find a seminar near you at
  www.ird.govt.nz (keyword: workshops)

Income tax
- Payments made to Inland Revenue on income you receive from:
  - Earned income
  - Interest and rents
  - Capital gains
  - Benefits
- You may qualify for some extra help depending on your situation

KiwiSaver
- KiwiSaver is open to all New Zealand citizens and people entitled to live here permanently
- You need to be under 65 to join
- www.kiwisaver.govt.nz

Income tax - world wide income
- Unless you qualify for an exemption all income (including pension or superannuation payments) needs to be included in your NZ tax return
- Each person’s income is calculated separately
- www.ird.govt.nz (keyword: international)

If you’ve made a mistake
- Sometimes things go wrong or people make mistakes. We can help you sort out what you may have missed and get you back on track.
- Call 0800 377 334 (free) or 0900 377 775 for GST questions.
- 0800 377 772 for employer questions.

Need more information?
www.ird.govt.nz
Use language line
Set up a nominated person to talk to us on your behalf
0800 377 334 for general business questions
Ethnic SME survey
Reasons given for starting a business

- Redundancy
- Economic recession
- NZ Skills
- Opportunities
- Business experience
- Wanted
- Progression
- Discrimination
- Time
- Low income
- Consulting
- Salaries
- Immigrant
- Next; best; thing multinational transferrable; skills
Who did people contact?

- Inland Revenue: 89%
- Companies Office: 53%
- DOL: 34%
- Immigration New Zealand: 32%
- ACC: 26%
- NZTE: 22%
- NZ Customs: 22%
- MED: 14%
- OEA: 14%
- Business NZ: 10%
- Ministry of Agriculture and Forestry: 8%
- Export NZ: 7%

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Mode of contact?

- Online: 82%
- Direct to agency: 31%
- Business owners: 25%
- Business association: 21%
- Workshops: 18%
- Other: 8%

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Organisations ethnic SMEs would like to receive more information from

- IR: 57%
- Companies Office: 39%
- NZ Customs: 33%
- MED: 30%
- Business NZ: 30%
- Immigration New Zealand: 27%
- Export NZ: 24%
- Food & Safety Authority: 23%
- DOL: 22%
- Ministry of Agriculture & Forestry: 11%
- ACC: 11%
- Other: 7%

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Difficulties faced when seeking information

1. Don't know who, 37.7%
2. No time, 34.4%
3. Language, 21.3%
4. Not aware of info, 44.2%
5. Other, 9.8%

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Information needs

Enterprise Training: 47%
General Accounting: 50%
Finance & Capital: 42%
Information Technology: 38%
Small Business Management: 40%
Employment Law: 42%
Staff Recruitment & Selection: 33%
Import & Export: 32%
Sales & Marketing: 39%
Health & Safety: 23%
Business Mentoring Services: 20%
Understanding New Zealand's tax system: 25%
Other: 5%

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Ethnic SME Survey: Conclusions

• Supports some of the research but...more information needed

• Potential areas:
  – Outside Auckland?
  – Migrants vs born here?
  – Other ethnic groups?
  – International connections?
Measuring Success

Ethnic diversity is a valuable asset that New Zealand can harness for prosperity we can all enjoy, now and into the future.

More information....

Website: www.ethnicaffairs.govt.nz

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