



## Doing business

(Last updated: 11 Dec 2009)

### Business etiquette

#### Business tips

In general, business etiquette is very similar to Australia. Face-to-face meetings are often very important to cement business relationships and prompt replies to enquires are critical.

Generally, visits should be planned well in advance allowing up to four weeks notice of an unsolicited meeting. Occasionally, visits can be organised with two weeks notice, however, additional time is advised to ensure a smooth program. Punctuality is very important. Austrade offers services with regard to the planning and scheduling of appointments.

New Zealanders often take holidays during school holiday periods, over public holidays (eg. Easter and Christmas). Therefore visits should be avoided during these periods.

**Please also note:** Bribery of foreign public officials is a crime. Australian individuals and companies can be prosecuted in Australia for bribing foreign officials when overseas. For more information, go to the [Attorney General's Department on foreign bribery](#).



### Tariffs and non-tariff barriers

#### Tariff

Australian made products, with over 50 per cent Australian content, are not subject to tariffs. Under the Australian New Zealand Closer Economic Relations Trade Agreement, Australian products receive preferential tariff treatment. Australian companies exporting goods to New Zealand must fulfil [NZ Customs Department](#) requirements. The Customs Department's duties and powers are described in the various Customs Acts.

Tariff based on the Harmonised System - most duties are ad valorem, assessed on the FOB value (Incoterms 1990). Tariffs on New Zealand industries are to be frozen at existing levels until 1 July 2005. The government has repealed the Tariff Amendment Act 1998 (zero duty), under which all tariffs were to be phased out by 1 July 2006.

The main industries affected by the change are clothing, footwear and textiles, which will have tariffs frozen at their present levels of 19 per cent until July 2005.

The government and particularly the Labour Party, the senior coalition partner, remain committed to a free trade agenda but will only make trade concessions on the basis of mutual benefit.

Customs authority contact details:

Comptroller of Customs  
Customs Department  
Investment House  
PO Box 2218  
Whitmore Street  
Wellington  
Tel: +64 4 473 6099

#### Non-tariff barriers

##### Import restrictions

Import licences are no longer required to import goods into New Zealand. The country does not impose any import restrictions or barriers to imports for purely trade-related reasons. Although, there are strict health, content, safety and origin-labelling rules, and stringent restrictions relating to animal and plant health requirements.

Import permits, issued by the New Zealand Ministry of Agriculture and Forestry, may be required for certain plant and animal products, including nursery stock and live animals. Convention on International Trade in Endangered Species (CITES) certification is required for endangered plant and animal species and products. See factsheet: [Customs Permits](#)

### Export Update

Austrade's monthly eNewsletter bringing you all the latest export-related news and events within Australia and overseas.

### OECD Guidelines for Multinational Enterprises

Multinational Enterprises should be aware of the [OECD Guidelines for Multinational Enterprises](#) that provide voluntary principles and standards for responsible business behaviour in a variety of areas, consistent with applicable domestic laws. These Guidelines are endorsed and promoted by the Australian Government. For more information, go to the [ANCP website](#).

### APEC Business Travel Card Scheme

Managed by the Department of Immigration, this system was developed to make travelling within the 17 APEC member countries much simpler and more efficient. [Further information](#).

Animal remedies and pesticides must be licensed by the New Zealand Animal Remedies Board or the Agricultural Chemicals Board.

A wide range of products are prohibited under biosecurity regulations, while special import requirements apply to weapons and dangerous substances such as chlorofluorocarbons.



## Labelling and packaging

The importation of irradiated foodstuffs is prohibited.

Packing is subject to few legislative requirements. However, the use of soil, peat, raw, green or contaminated moss, used or second-hand sacks, bags, hessian and sacking material, hay, straw, or chaff is prohibited. A declaration that none of these materials have been used for packing must be provided or the goods will be subjected to inspection and any charges billed to the importer. The declaration may be typed on the commercial invoice.

Wooden packing materials must be completely free from bark and from visible signs of infection and must be accompanied by: an exporter's declaration that all timber used for packing was free from bark and visible signs of insect and fungal attack when shipped; or a treatment certificate indicating that the packing material has been subjected to either preservative treatment, fumigation or heat treatment/kiln sterilisation.

If non-wooden packing is used, invoices should state 'No wooden packing has been used'.

A signed declaration at date of shipment to New Zealand may be included in the invoice, ship's manifest bill of lading, or NZ forms 4 and 5.

Use of cargo containers is strictly controlled. Full details are available in Requirements for Containers and Containerised Cargo, published by the New Zealand Ministry of Agriculture and Forestry, Wellington.

New Zealand railways limit the size of crates to a maximum 2680mm wide by 1970mm long and exporters should ensure that their crates are within these limits.

Packages or objects weighing one tonne gross or more should be prominently marked in legible and durable characters not less than 25mm in height.

All foodstuffs are subject to ANZFA regulations which are mutual food regulations between Australia and New Zealand. Some foodstuffs are subject to additional health and food safety requirements, administered by Public Health.

Labelling for alcoholic beverages must indicate on the principal display panel a statement of the approximate alcoholic content.

Special requirements govern the marking and labelling of chemicals, poisons and drugs (see also 'Trade samples' below).

Most textile goods are subject to the labelling regulations specified in the Consumer Information Standards (Care Labelling) Regulations 1992 and the Consumer Information Standards (Fibre Content Labelling) Regulations 1992.

Country of origin must be indicated on imports of footwear, clothing and dry-cell batteries.

## Special requirements

Original documentation is required to complete quarantine clearances.

Animals, feedstuffs, forest products, seeds, nursery stock, foodstuffs, pharmaceuticals, cosmetics, pest-control products, fertilisers, electrical equipment, inflammable products, explosives and other specified products are subject to certification and inspection requirements.

Health certificates issued by the approved authority in the country of origin, certifying that the items have been examined and found to be free from disease, must accompany certain specified shipments of flora, fauna and their products.

Phytosanitary certificates must be signed no earlier than 14 days prior to shipment.

Packing materials are subject to specific regulations.

Inedible gelatin, glue, grease, tallow and other inedible fat, meat and meat products, require a certificate made out on Special Form L.

Specific asbestos products must have a declaration of origin included on the invoice.

A customs certificate of age is required for a range of alcoholic beverages. A minimum three years in wood is required for whisky and brandy.

Certificate of disinfection or sterilisation must accompany flock or second-hand clothing (other than personal effects accompanying a traveller).

Bristles, hides, skins and furs originating in any of the countries scheduled under the Anthrax Prevention Regulation 1951

(excludes Australia) must be accompanied by certificate of adequate disinfection or sterilisation. A MAF permit may also be required.

Imports of wooden packing materials must be accompanied by a fumigation certificate.

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## Methods of quoting and payment

Quotes preferably NZ dollars, FOB or CIF (Incoterms 1990). Payment usually by cash against documents or irrevocable letter of credit.

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## Documentary requirements

Note: The New Zealand Customs Department operates a pre-check system, which enables an importer to have his entries processed before the goods have arrived. Australian exporters are therefore strongly advised to airmail the required documents to the consignee as soon as goods are shipped.

### Commercial invoice

No prescribed form. Certification of the invoice is not required. The invoice must indicate:

- a complete description of the goods
- an indication of the good's quantity
- all marks and numbers
- country of origin
- country of purchase
- the FOB price (Incoterms 1990) including all discounts, commissions, packaging costs, inland freight costs, terms of delivery and insurance costs
- a signed declaration as to date of shipment may be included in the invoice or NZ forms 4 and 5 may be used
- a declaration that no prohibited packing materials have been used

An Import Entry is required for goods valued at more than NZ\$1000 CIF (Incoterms 1990) and which attract duty and/or GST of NZ\$50 or more. From 1 March 2004, all entries will need to be logged electronically, see [Customs Requirements](#).

### Certificate of origin

Certificate of origin form 58 is no longer required for Australian goods. An indication of origin on the accompanying invoice is adequate notification.

### Bill of lading

No special requirements. To Order bills are acceptable.

### Insurance

Normal commercial practice.

### Weights and measures

The metric system.

### Public health requirements

The entry of plants, seeds and nursery stock, fruit, vegetables, animals and animal products is restricted to specific ports and airports where inspection may be carried out by appropriate authorities. Fruit and plants not free from injurious insects and diseases may be destroyed, shipped out of New Zealand or fumigated or treated at the owner's expense, as may be decided by the authorities.

Animals and animal products must meet the conditions of relevant regulations or become subject to forfeiture, and/or any additional charges for inspection, treatment, re-packing or transportation

Imports of bamboo, cane and rattan, including furniture are subject to methyl bromide fumigation on arrival. The type of material used should be detailed on the invoice.

Further information regarding New Zealand's plant and animal quarantine regulations is available from the Australian Quarantine and Inspection Service, Australian Department of Agriculture, Fisheries and Forestry-Australia.

Foodstuffs are subject to strict controls on hygiene, composition, use of colouring matter, preservatives, marking and labelling. An 'At Risk' list of foods has been created with products subject to regular inspection by local health authorities. Some products can by-pass inspection if accompanied by a manufacturer's declaration that goods are Australian made.

Used vehicles and machinery should be completely free of soil and other contaminants.

The recognised legal standards for drugs are:

- the Medicines Regulations, 1984
- the British Pharmacopoeia
- the British Pharmaceutical Codex
- the European Pharmacopoeia
- the United States Pharmacopoeia
- the United States National Formulary
- the Therapeutic Goods Standards of Australia

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## Taxation

Australia and New Zealand have many common standards and regulations or mutual recognition of them. With few exceptions, imports are subject to the 12.5 per cent Goods and Services Tax (GST). This is payable at the time of entry into New Zealand. Duty assessment is based on free on board (FOB) value, country of origin and classification of goods.

The New Zealand taxation system is different from Australia and companies should seek professional advice before setting up a business presence there. Useful information may be found on the [New Zealand Inland Revenue Department](#) website.

A summary of taxation that may be applicable to Australian companies is as follows:

- The company tax rate is 33 per cent and is payable by New Zealand resident companies on non-exempt income derived from all sources and non-resident companies on income sourced in New Zealand. The tax year usually runs from 1 April to 31 March, although different balance dates are available in certain circumstances. Tax is payable in three instalments where a company's residual income tax exceeds NZ\$2500 pa (A\$2140 pa).
- Fringe benefits tax is payable by employers on specified benefits provided to their employees. The rate is 64 per cent or less on the taxable value of each benefit provided. The level will depend on the benefit and income.
- Goods and services tax (GST) of 12.5 per cent is levied on all goods. The GST on imports is initially assessed on the CIF value (Incoterms 1990) plus any duty.
- Withholding tax must be deducted from dividends to the extent that they are not franked. The maximum rate is 33 per cent. Withholding tax is also deducted from interest at maximum 33 per cent with limited exemptions. Non-resident withholding tax is deducted from interest, dividends and royalties paid to non-residents.
- There is no capital gains tax in New Zealand. Where a capital asset was bought for the purpose of resale, any profits or gains are included with other taxable company income.
- There is no branch profits tax in New Zealand.
- There is no sales tax in New Zealand, although there are levies on sales of certain products, (alcohol, tobacco, fuel). A consumption tax of 12.5 per cent (GST) is charged on most goods and services in New Zealand, the exceptions being certain financial services and goods and services exported from New Zealand.
- Regulations relating to Stamp Duty have been repealed and it is no longer payable on transfers of property or on share transfers.
- Other taxes include customs and excise duty (for example, on alcohol, tobacco products, fuels and motor vehicles).

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