



Welcome to the May edition of the KPMG New Zealand Alumni News.

Here we have our latest news, publications and events, which we hope will be of interest to you.

NZ Foreign Direct Investment Report



Five countries continue to dominate more than half of New Zealand's foreign direct investment.

Australia, the United States, Canada, China and Singapore were the most significant investors in New Zealand over the period 2013 to June 2018,

accounting for 55% of investment, according to KPMG's latest Foreign Direct Investment into New Zealand report.

KPMG's latest FDI report provides a summary of applications for investment over the last five years, highlights origin of investment and identifies emerging and recurring trends.

Read the full report [here](#).

Get in touch with us

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Digital Gravity: How can the automotive industry innovate and align with digitalisation?



Awareness of digitalisation is high and change initiatives are numerous in the automotive industry. Yet on a strategic and cultural level, change is hardly taking place.

A joint automotive study by KPMG and Egon Zehnder, which interviewed 527 auto executives from around the world, determines that most automotive companies are not prepared for the digital shift disrupting the industry.

Learn more in our [Digital Gravity 2019 report](#).

R&D Tax Update: How should your business account for the R&D tax incentive?



The Government has introduced a Research and Development (R&D) Tax Incentive, to support and further promote R&D in NZ businesses. The R&D Bill has passed its first reading in Parliament and we expect legislation to be enacted in May / June this year, allowing businesses to access, and make the most of the incentive from the start of the current tax year (typically 1 April 2019).

Many businesses have asked us how they should be accounting for the R&D tax incentive. In our latest R&D update, we discuss the requirements under NZ IFRS. We consider NZ IAS 12 *Income Taxes* and NZ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* and the accounting impact on both profit making entities and loss making entities. Click [here](#) for more details of the accounting treatment.

R&D Seminars

KPMG will be holding seminars across New Zealand where our R&D experts will present – alongside officials from Inland Revenue, and Callaghan Innovation – on the R&D Tax Incentive, providing insight into how the incentive will provide broader access to R&D funding for New Zealand businesses. We will also explain what is, and what isn't R&D, and how to start planning early to be ready to make a claim for this year's R&D activities.

Location	Date	Session Time
Hamilton	6 June	7:30 AM - 9:30 AM
Napier	6 June	10:30 AM - 12:30 PM
Auckland	18 June	7:30 AM - 9:30 AM
Wellington	18 June	12:00 PM - 2:00 PM
Nelson	20 June	11:30 AM - 1:30 PM

Registrations are essential; please contact [Gareth Easter](#) if you would like to attend.

Community @ KPMG



KPMG NZ Corporate Citizenship Report

Commitment to our communities is at the heart of KPMG's values and culture and an essential component of our common purpose of Fuelling the prosperity of New Zealand – improving the health, wealth and wellbeing for all New Zealanders.

We encourage and support our people to work together to give back to their communities, through volunteering, fundraising and leadership, alongside a significant amount of pro bono work, together making a real difference to a diverse number of non-profit organisations and charities.

We are pleased to publish our 2018 KPMG Citizenship Report, which outlines the work we are doing to build and support prosperous communities in New Zealand & promote lifelong learning, our Inclusion & Diversity journey and a review of our environmental sustainability progress.

Read the report [here](#).

Classroom@KPMG



KPMG welcomed a group of year 7 & 8 class from Point England School, who brought their classroom to KPMG as part of our kaupapa with [Manaikalani](#), which includes helping to enhance educational, employment and citizenship outcomes for young people in challenged New Zealand communities.

This visit was an opportunity for the students to see what a professional business environment looks like and open their eyes to future possibilities.

The session took place on 5 April, which was also [Gumboot Friday](#) so the theme for the visit was wellbeing with a focus on resilience and healthy habits.

Supporting Refugees as Survivors New Zealand



A group of volunteers from KPMG were able to visit the Mangere Refugee Resettlement Centre (MRRC) to support refugees who have recently arrived in New Zealand, people from all faiths and ethnicities, who are distressed and affected by the Christchurch terrorist attacks.

For refugees arriving in New Zealand, the six weeks that they have at MRRC is a time of mixed emotions, all in a new environment. Refugees as Survivors New Zealand is a leading organisation supporting people from refugee backgrounds living in New Zealand. They promote programs and policies that respect and advance the health, wellbeing and human rights of people from refugee backgrounds.

Find out more here about [RASNZ](#).

Relay for Life Hamilton

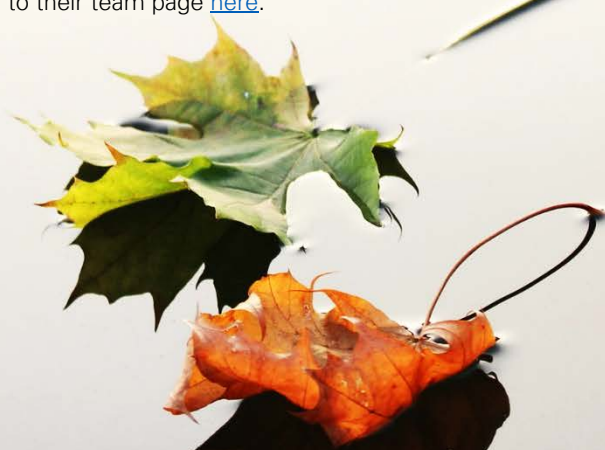


A great team of people from the KPMG Hamilton office completed the Relay for Life event to raise money and make a difference for the Cancer Society.

Relay for Life is an inspirational and fun team event that brings people together to celebrate cancer survivors, remember loved ones lost to cancer and fight back by raising awareness and funds for the Cancer Society.

Find out more about the event [here](#)

If you would like to support our Hamilton team, you can still donate to their team page [here](#).



Tax

Government response to Tax Working Group - One out!

No Capital Gains Tax – was the main headline in the Government’s recent response to the Tax Working Group (TWG) Final Report recommendations. The Government has rejected both the TWG’s recommendation to tax most assets (except the family home) and the minority’s recommendation to tax only residential rental properties. Instead, the Government will look at other ways to increase fairness in the tax system.

Officials have been directed to look at “land banking” and “land speculators” as a high priority. This follows the TWG’s recommendation that a tax on vacant land should be considered by the Productivity Commissions. The Prime Minister also indicated that there will be a renewed focus on NZ Tax paid by foreign multinationals. A discussion document on a possible Digital Services Tax is scheduled for a May release.

The Government has also responded to the other 98 recommendations in the TWG Final Report –full details are available [here](#).

Global Agri Food News Bites

Global Agri Food Bites is our weekly news segment of highlights for Country TV. This segment is a summary of Agribusiness news and media reports from across the sector, prepared by the KPMG Agribusiness network. This week, amongst the topics covered, we discuss the reasons behind Nestlé’s rising profits & growth in the South East Asia region, the release of the new recommendations to the US Government by the Sustainable Food Policy Alliance and the growth in female producers in the US by 27 percent between 2012 & 2017. Watch the latest episode [here](#).

For more information and insights, visit our [Agribusiness website](#) or [download our app](#).

We value your connection with us and invite you to visit our Alumni website periodically to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us if you would like additional information regarding any of the above topics.



Aaron Woolsey

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