

# State of the Accounting Profession in New Zealand and Potential for Indian Chartered Accountants



*A developed island country in the southwestern Pacific Ocean, New Zealand has experienced robust economic growth since 2012, buoyed by record levels of inward migration and strong terms of trade, booming tourism, solid construction activity, and supportive monetary policy. Since the 1980s, New Zealand has transformed from an agrarian, regulated economy to a market economy. The country ranks highly in international comparisons of national performance, such as health, education, economic freedom and quality of life. The fiscal position is sound, with low public debt and a balanced budget. Over the years, employment has expanded vigorously, reversing much of the increase in unemployment since the onset of the global financial crisis. Employment has shifted towards high-skilled occupations, a trend that is likely to continue with further diffusion of digital technologies, including Artificial Intelligence. This background offers plethora of opportunities for highly skilled professionals, including Accountants. New Zealand is known to have a rich history of Accounting profession ever since 1894 when the Incorporated Institute of Accountants of New Zealand was formed. At present, the accountancy profession in New Zealand is represented by two main bodies -- Chartered Accountants Australia and New Zealand (CAANZ) and CPA Australia (CPA). Both these professional bodies provide pathways under a reciprocal agreement to members of the Institute of Chartered Accountants of India (ICAI) to become members of their respective bodies. Read on to know more...*



**CA. Chandan Ohri**

(The author is Chairman of the New Zealand (Auckland) Chapter of the ICAI. He may be reached at [ohri@xtra.co.nz](mailto:ohri@xtra.co.nz).)

New Zealand has a long and rich history of Accounting as a profession with the formation of Incorporated Institute of Accountants of New Zealand in 1894. Currently New Zealand has two main bodies representing the profession; Chartered Accountants Australia and New Zealand (CAANZ) and CPA Australia (CPA). Both these professional

bodies provide pathways under a reciprocal agreement to members of the Institute of Chartered Accountants of India (ICAI) to become members of their respective bodies.

CAANZ was founded with the amalgamation of New Zealand Institute of Chartered Accountants (NZICA) and the Institute of Chartered Accountants in Australia (ICAA) in 2013. One of the key strategic initiatives of CAANZ recognises that staying ahead in a world of constant change is challenging for the profession. The institute supports members by providing relevant lifelong learning to help them maintain their expertise.

CPA with 1,60,000 members globally is the other professional body operating in New Zealand and operates under the governance of the New Zealand branch council since 1992. The vision of CPA Australia is to be known for being the world's best member service organisation.

New Zealand has 5,15,050 enterprises at the end of 2016, engaging 2.1 million paid employees. New Zealand is a country of small to medium sized enterprises (SME) with only 2,350 enterprises engaging 100 or more employees. Recognising the need to continuously reduce compliance costs for SMEs, various initiatives have been launched by government agencies over the years. As per a recent survey, the median annual time SMEs spent within their business meeting their tax obligations was 27 hours. GST was the most time-consuming tax type, accounting for a median 14 annual hours in 2016. A total 89% of SMEs used tax agents and/or accountants to help them meet their tax obligations with a median annual spend of \$1000.

New Zealand businesses are early adopters of technology and follow a self-service model for most of its book keeping needs leveraging cloud based accounting solutions like Xero and MYOB. These

**New Zealand businesses are early adopters of technology and follow a self-service model for most of its book keeping needs leveraging cloud based accounting solutions like Xero and MYOB. These solutions offer integrated bank feeds that allows banking and credit card transactions to flow into the accounting systems based on rules linked to chart of accounts. These cloud solutions have considerably reduced the need for book keeping over the last 3-4 years.**

**Members of ICAI, looking to explore opportunities in New Zealand should explore the pathways that the two local professional accounting bodies offer under reciprocal agreements. Members should ensure that they leverage these educational and membership pathways to bridge knowledge and relevancy to operate effectively in the New Zealand business environment.**



solutions offer integrated bank feeds that allows banking and credit card transactions to flow into the accounting systems based on rules linked to chart of accounts. These cloud solutions have considerably reduced the need for book keeping over the last 3-4 years. These solutions also offer tax compliance support including integrated reporting for GST and PAYE to Inland Revenue Department.

The role of professions over the years have shifted from book keeping and tax return compliance to value add services in the areas of advisory, tax planning, consulting, transformation, operating model reinvention and governance. The profession understands that staying ahead in a world of constant change is challenging and they remain focused through continuous professional development to maintain expertise and relevance.

Members of ICAI, looking to explore opportunities in New Zealand should explore the pathways that the two local professional accounting bodies offer under reciprocal agreements. Members should ensure that they leverage these educational and membership pathways to bridge knowledge and relevancy to operate effectively in the New Zealand business environment. ■