



Estate and Taxation Planning Council New Zealand Inc

July 1997

Dear Member

Fourth Estate

Many thanks to those members (about 50%) taking the time to complete the questionnaire last month.

Speakers: it is clear that you want to hear from the experts, preferably those with an established profile.

Suggestions included Don Brash, influential members of the business community, senior politicians, and experts able to speak on new/relevant legislation, taxation, investment and tax planning procedures.

Topics: retirement issues/compulsory superannuation; specific case studies relevant to estate and tax planning; legislative provisions affecting trusts, tax developments, & family trusts generally, especially updates and changes to the legislation.

Preferred Format: provoked a mixed response. Some asked for single speaker, some preferred a panel of speakers, or two speakers debating one issue – but many of you asked for discussion time, no matter what the format.

The Committee does indeed keep this in mind and generally manages to have some time for discussion. We would have more if our meetings could begin more promptly.

When we have to wait for ten minutes beyond the scheduled start time – to gather a large enough audience for the speaker to begin – then the time is sacrificed elsewhere in the programme.

Meeting Time: general preference is for current practice: 5.30 with refreshments. Overwhelmingly, you want a central Venue with good parking and easy access (is that an oxymoron?).

Perhaps most importantly, in response to the question “Why do you belong to the Council/” you told us that you belong to enhance your technical knowledge, to keep in touch with what is going in our disciplines, to gain access to interesting speakers, and to enjoy fellowship with other members.

Some members urged us to distribute printed matter from the seminars. This idea has merit and we can appreciate the frustration for out-of-towners.

However, our guest speakers already volunteer their time to prepare, attend and speak. To ask them to produce written papers as well would, we feel, have a negative impact on the willingness of speakers to participate.

We do try to report on every seminar, in this newsletter. Additional publishing & mailing expenses and the extra work for the Committee argue against more extensive reports.

The Committee did appreciate all of the responses and will honestly, try to implement as many if the suggestions as our resources permit.

Jenni McManus' Assessment of the NZ Economy

A group of 44 members and guest gathered at the Auckland Club on Tuesday, 24 June, to hear Jenni McManus give her views about the economic state of the nation. Jenni, who is the Business Editor and half-owner of the business weekly "The Independent", is well-known for her acerbic and insightful reporting style. What is perhaps less well-known about her, is her background as a radio journalist, television personality, and mother.

Her analysis of the economic limbo derives from interviews she has conducted with business leaders around the country. The Independent first spotted the lower-than-forecast surplus figures, some six months ago. In addition, it seems that the lack of confidence in the business community is echoed by a lack of consumer confidence. While this is having an impact all around the country, perhaps nowhere is the effect so drastic as in the Auckland region.

According to McManus, the sharp contraction in immigration figures has hit Auckland particularly hard, and has been translated into a slowdown in the consumer demand for cars, consumer goods and white ware. One of the most telling figures is the drop in beer consumption – 6% in the past six months

The reasons for the slowdown include the removal of promised tax cuts, the perceived instability of the Coalition Government, and a drop of some \$566m in social spending and get the export sector moving again.

Her projection is that the recovery from this slowdown will differ from the one which we experienced in 1992-1995. That one was an earnings-lead recovery. McManus projects that, to emerge from the current economic doldrums, we will need to rely on a consumer-lead recovery. What this says for the goal of increased individual retirement savings, however, is anything but clear.

A good number of the audience stayed behind to enjoy some socialising and networking – altogether it was a most successful event party

IAFP Northern Region AGM

The 1997 Association of Investment Advisers & Financial Planners Inc (IAFP) Northern Region Annual General Meeting was held at 4 pm on Tuesday the 24th June at the Alexandra Park Function Centre. Given the lack of a keynote speaker and very inclement weather, the turnout of some 35 members was very encouraging.

After general business matters had been attended to, the meeting was addressed by the Chairman of the IAFP, Barry Stewart, who provided an update on discussions being held between the IAFP and IIAA (Insurance and Investment Advisers Association) on a possible merger of the two organisations in 1998.

Mr Stewart advised the meeting that the IAFP Board intend to run a road show throughout New Zealand later in July, to explain to members the results of the discussion held by the working party set up in January 1997 and consisting of members of both organisations. A Special General Meeting is to be called for the 31st of July 1997 at which members will be asked to decide on the merger proposal in principle.

Assuming the membership of both organisations endorse the merger in principle, it is then hoped to have new Standards and Rules prepared and submitted to both organisations in time for them to merge on 1 April 1998.

The meeting also discussed the remits which are to be voted on at the National Annual General Meeting on 31 July 1997. There was lengthy discussion on the Board's proposal to reduce the size of the present Disciplinary Committee (from 3 to 2 members) and Board of Appeal (from 3 to 1 member).

The Board indicated that it considered the reduction in size with their consequential cost savings could be accomplished without detracting from the integrity of the disciplinary and appeal processes. The mood of the meeting suggested that members felt that the integrity of the Disciplinary Committee could be compromised if there was only 1 non-member compared with the current 2 non-members and 1 IAFP member and that costs should be the overriding consideration.

More Changes on Executive Committee

We have, with sadness, received the resignation of Treasurer Colin McEwen, who is leaving Guardian Trust to pursue other business interests. We shall miss his dry humour and his willingness to volunteer for work.

Happily, Gary Fitzpatrick has offered to take on the role of treasurer. Gary joined Guardian Trust in May, after nine years with Kensington Swan. He has worked in the industry for some 15 years, in Hamilton, Whangarei and latterly in Auckland.

So we say good bye and good luck to Colin and we welcome Gary to the Executive Committee