



Bruce Wallace gave an interesting address to members who attended our Christmas function at the Auckland Club. Unfortunately The Corporate Challenge took place on the same evening, which meant that a number of members were unable to attend. Bruce discussed his latest book called Your Money Diet and results from his conversations with friends, colleagues and listeners to his radio programme Your Money on National Radio.

Bruce is passionate about the need for improved financial literacy across all New Zealanders. His address was well received and resulted in a lengthy question and debate on a variety of financial issues. Bruce has reported on international events for both British and New Zealand television, been a leading political editor in New Zealand and spent seven years working for Fletcher Challenge as corporate affairs manager.

May 2006

### New Proposals for the Taxation of Offshore Investments

Our most recent breakfast seminar was the best attended for several years with 55 members and guests attending a presentation on the proposed changes to the taxation of offshore portfolio investments expected to be introduced in a May Tax Bill.

Our guest speaker was Iain Craig who is a tax partner at BDO Spicers. Iain has extensive experience advising New Zealand companies for the past 15 years on their taxation affairs. Iain's address was both informative and humorous, and given the contentious issues around the proposed legislation there was much debate and lots of questions, that couldn't be answered due to lack of information other than press releases at this point in time.

As this Council year draws to a close, I would also like to thank the rest of my Executive Committee members for their support and hard work, namely Gary Fitzpatrick (vice President), Gary Morgan (Past President), Deeanah Winders (Secretary), Robert Knox (Treasurer), Hugh McGuinness, and John Tonkin. I would also like to thank BDO Spicers who have kindly provided a venue for the regular Executive Committee meetings.

As with any organization we need to ask ourselves, how can we do things better? How can we add more value to members? How do we attract new members? This year our focus will be attracting and retaining new members. We are looking for new members, but not just to increase our financial base, we are looking for members who will be active members and attend our Council functions. For the voluntary members of the Executive nothing is more frustrating than arranging a guest speaker, organizing the venue, but having to cancel or postpone because of a lack of numbers.

Currently we have around 85 members, with several applications pending. This year's goal is to increase the Council membership back over 100 active members, and to add a further 20 to 25 new members in the following year. We will be targeting a number of Legal and Accounting firms during the year to raise awareness of the Council and what it has to offer. With this in mind we have recently had 1,500 brochures professionally designed and printed that will be used as promotional material in future. We have recently purchased a very stylish pop-up banner that will be used at all future Council seminars and functions.

I'm sure I speak for all on the Executive Committee when I say that we once again look forward to the challenge of meeting the needs of members, and the objectives of the Council over the coming 12 months.

Jeff Matthews  
President

Council Web Page

Please remember to bookmark the council webpage at: [www.etpc.co.nz](http://www.etpc.co.nz) As well as details of the Executive, we have an updated the list of current members, their firm and their phone numbers. If you change firms, or phone

numbers please let us know. We chose not to include the e-mail addresses of members on the webpage, but again please let us know if your address changes, mail any changes to: [drw@martellimckegg.co.nz](mailto:drw@martellimckegg.co.nz) .

## Recent Seminar - Taxation of Offshore Investments

Clearly tax is a popular subject judging by the large number of members and guests who attended our last breakfast seminar. Our speaker was Iain Craig who is a partner in the Taxation Services division of BDO Spicers. Iain has extensive experience advising New Zealand companies for the past 15 years on their taxation affairs.

Over the past ten years various governments have commissioned tax reviews like the McLeod Report, and the more recent Stobo Report, which covered the issue of taxation on investments. Politicians usually want to water down proposals to ensure they are elected or re-elected. So the review of taxation on investments has been well overdue, but the driving force for the need for changes is the introduction of Work Place savings, scheduled to start on 1<sup>st</sup> April 2007.

Currently investors in New Zealand Unit Trusts and Superannuation Funds are taxed at 33% on realised and un-realised gains, despite the fact that many investors may have a marginal tax rate of 19.5%. In order to encourage future savings, the rules on taxation need to change so that investors in future are taxed at their marginal rate.

The proposed changes for investments in New Zealand and Australian assets, creates a level playing field between managed funds, direct investments and index funds. In future those investments will be taxed at the investor's marginal tax rate on interest and dividends, and any capital gain will not be taxed.

Iain's main focus was the contentious proposed changes to the taxation of offshore portfolio investments that was introduced on Budget day. The Bill is expected to contain an exclusion from income tax for capital gains derived by Collective Investment Vehicles, the Earnings per Share basis for taxation of foreign portfolio investments (or such alternative as announced) and the reduction of the grey list to one country (Australia).

Iain's address was both informative and humorous, and given the contentious issues around the proposed legislation there was much debate and lots of questions, that couldn't be answered due to lack of information rather than press releases at that point in time.

For those members who were unable to attend Iain's presentation, his notes are available on the Council webpage.

## New Members

### Travis Adams

Travis has a B.A. in Economics and is an insurance adviser with boutique financial planning firm Acumen. With 10 years experience as a registered futures & options market maker on the Singapore Exchange (SGX-DT), Travis has first hand knowledge about the benefits of risk protection and proper financial planning. From the early days of Nick Leeson and the Barings bankruptcy, the Kobe earthquake, the Long-Term Credit and the Russian bond defaults to the Asian Crisis and SARS, Travis has spent his career protecting assets from worst case scenarios.

Growing up in Ketchikan, Alaska, Travis worked as a commercial salmon fisherman to fund his economics degree at the University of Chicago. Upon completion of his degree, Travis worked with an option market making group at the Chicago Board of Trade. In late 1993 the group sent Travis to Singapore to establish their Asian option trading business. The next 10 years saw Travis start his own trading company in Singapore. He has three sons; his third was born in Titirangi just months after he and his partner Monica emigrated from Singapore to New Zealand in late 2003.

Travis is a member of and serves on the Auckland branch committee of the FPIA. He is studying toward his Post Graduate Diploma in Business Studies (Personal Risk). Travis has a quest for knowledge and attends numerous industry courses and seminars. Travis is a member of Friends of Whatipu and the West Auckland Dive Club. He and his partner also enjoy many volunteer hours at the Titirangi Rudolph Steiner School.

#### **Cathy O'Brien**

Cathy has been involved in banking for 19 years including several roles at the BNZ in their Premium and Private Bank divisions. Over the past 5 years, Cathy has become more involved in assisting clients with their personal financial planning, and she is currently working for HSBC as a relationship manager in the Private Client division. One of the most satisfying aspects of her current role is helping clients achieve their goals.

Cathy is a member of the Institute of Financial Advisers (IFA). She has a post graduate diploma in Financial Planning from Massey University, and is currently studying for a degree in Applied Economics.

#### **Trevor Allen**

Trevor has been an associate of Lifestyle Financial Services Group (LFSG) since September 2000 working as a Financial Adviser / Planner. He has worked in the financial services industry since October 1981, being involved in various general banking, management and advisory roles. Since 1989, Trevor has been active as a financial planner and investment adviser.

Trevor is a member of the Institute of Financial Advisers (IFA) and holds the qualification of Certified Financial Planner (CFP). Trevor is fully committed to giving the highest quality of investment advice and building a loyal long term service relationship with my clients.

#### **Bill Roberts**

Bill has a B.Com from Auckland University. After finishing his studies Bill spent six years living and working overseas. Bill spent 10 years with a number of leading Investment Banks including Goldman Sachs and ABN Amro. His roles within those organisations took him to London, New York and Hong Kong and focused on the accounting and risk management for products ranging from fixed interest to derivatives.

Returning to New Zealand was always about a lifestyle choice for Bill. The move in career path towards Financial Planning was an attractive option that allowed him to fully utilise his investment industry knowledge and face new challenges. Bill began his Financial Planning career with Spicers in their Orewa office, where he began studying for the Massey University Diploma in Financial Planning. For the past few years Bill has worked as a Financial Adviser with the Bank of New Zealand Private Bank. Bill is a current member of the Institute of Financial Advisers (IFA) and is a Certified Financial Planner.

## **Next Function**

Our next function is a breakfast seminar: The speaker and subject to be confirmed.

Date    Wednesday 19th July 2006  
Time    7:15am for a 7.30am breakfast at  
Venue   Romfords, Tamaki Drive, Auckland