

PRESIDENT'S REPORT TO THE 2010 AGM

of the Estate and Taxation Planning Council New Zealand Inc

The Estate and Taxation Planning Council is entering its 34th year since its establishment in 1977.

While the current membership is significantly lower than that of a decade ago, the Council remains in good heart. This is supported by the recent results of the survey undertaken by the Executive and I will comment on this in more detail below.

Economically, 2010 still provides challenges for all of our members and their various businesses. In addition, it continues to provide challenges for your Executive in terms of delivering suitable and relevant seminar topics.

I do believe that the calibre of the speakers and their presentations in the last 12 months has been of a continued high standard and below is a brief overview of the events that have occurred within the Council over the last year:

June 2009 – The Fiduciary Role of Trustees and Advisers

Martin Jago, formerly of Plan B Wealth Management, presented to the membership on the fiduciary responsibilities and obligations of Trustees and advisers in relation to investment advice. The presentation reinforced the potential liability of trustees and advisers for not acting responsibly and highlighted some examples where trustees have come unstuck for not taking due care.

The message was clear; all fiduciaries potentially bear the risk of loss or underperformance if they have not acted prudently. The role of a Trustee is not a role to be taken lightly, especially the role as an independent trustee for someone else. Martin's seminar provided an overview of fiduciary standards of care, asset allocation, preparation of investment policy, due diligence and other related subjects.

Martin is a Certified Financial Planner and holds a Bachelor of Science with Honours. He is also an Accredited Investment Fiduciary.

September 2009 – Tax, Tax & More Tax.....

In September 2009, the Council was fortunate to have Denham Martin present to us on some rather interesting and intriguing tax matters. Denham is a Barrister specialising on aspects of tax and trust law. Formerly a tax and commercial law partner with Chapman Tripp, and the principal of his own specialist tax and trust law practice, Denham has had over 20 years assisting clients with tax and trust issues and disputes. He has published extensively on technical tax and trust topics both here and overseas.

Denham's presentation was a very interactive session with discussion focused on cases which Denham has had involvement with that have the potential to impact our clients on a day to day basis.

At the time of the seminar, there was rumour about the introduction of land tax and the reduction of personal, corporate and trust tax levels to 30%. In addition, there was the indication of a potential increase in GST! Of course, we have seen the implementation of a number of these 'rumours' in the Government's recent Budget.

November 2010 – Christmas Function

The Council held a festive presentation at the Northern Club with the Irish Consulate, Honorary Rodney Walshe presenting to our members who attended.

Rodney lived up to his reputation of being an accomplished and entertaining speaker and the Council was grateful to Rodney for making the time available to address our members.

March 2010 – Regulations are Coming!!!

Mike Staal of New Zealand Financial Planning presented to the Council in March about the impact of the new Investment Adviser Regulations. We were fortunate to have Mike present to the Council as he is a member of the Code Committee responsible for developing adviser Code of Conduct and competence standards for financial advisers.

The Committee will set minimum professional standards of competence, knowledge and skill, ethical behaviour and client care, as well as minimum requirements for continuing education and training. All financial advisers will be legally obliged to comply with the Code of Conduct from late 2010.

This year sees the introduction of Authorised Financial Advisers (AFA). Applications begin shortly and advisers will need to demonstrate that they are competent before the Securities Commission will authorise them.

I would like to personally thank all of our speakers over the past 12 months. Our seminars have been well received by those members who attended.

Summary

As I have mentioned before, the Executive is a voluntary group who donate their time to the Council to arrange the effective running of the organisation and the various seminars for its members. Once again, I would like to take this opportunity to thank the Executive for their contribution and support during the last twelve months.

Like all other organisations at this time, we face our own struggles and constantly ask ourselves how we can add more value to our members. Earlier this year, the Council prepared and circulated a survey to our members in order to seek feedback regarding the Council and its future.

As you will be aware, the Council has been experiencing a decrease in membership over the past two to three years. The number of financial members currently stands at 58. The Council's goal is to increase this membership to at least 80 plus active members over the next 18 months and we seek your support in getting the word out there that the Council exists and the value it adds to its members.

The overwhelming feedback as a result of the survey is that our members wish the Council to continue. However, it is recognised that with dwindling membership numbers, the future of the Council is in question. In order for the Council to be viable and provide benefit to its members through the seminars it delivers, an increase in membership numbers is essential.

We have received some helpful tips and feedback from our members which the Executive is considering. It is apparent that marketing of the Council's existence is imperative to increasing membership. We are therefore currently in discussions with marketing professionals to seek some advice as to how we can effectively grow the awareness of the Council and increase our membership.

Thank you to all of those members who took the time to complete and return the survey. Should any of our members wish to receive a copy of the summary of the survey's results, please do not hesitate to contact our Secretary who will provide you with a copy accordingly.

In conclusion, I speak for all on the Executive Committee when I say that we look forward to the challenges of the next twelve months. It is evident that there is a place for the Council, and we look forward to bringing about some positive change over the coming year.

Gary Fitzpatrick
President
July 2010