

PG Press

Perpetual Guardian Newsletter



Kia ora koutou,

The year is fast coming to a close, which for me means it is time to take stock and reflect on the exciting year that has gone by.

Our flexible working policy has captured global interest for a good part of 2018. Yet there is a multitude of fantastic initiatives the Perpetual Guardian team is proud to have been working with over the last twelve months.



In Auckland, we have the absolute privilege to be sponsors of the APPA Music Festival, the Special Children's Christmas Party and MOTAT's new Above and Beyond exhibition. Then of course there is the Otago Museum's Perpetual Guardian Planetarium, the Nelson School of Music and the Dunedin School Sports Association which we are also involved in.

To me all of these incredible events – and there are more – showcase that our company's values are more than words.

None of these initiatives would be possible without the dedicated and passionate people behind-the-scenes. Whether it is the fantastic individuals we work with, our own people, or those of you who in their own ways have supported local initiatives.

So, I want to say a big thank you to everyone who has made 2018 another year of positive action in our New Zealand communities. Together we are making a difference.

And with that: have a relaxing, safe and fun time at the beach, the campground, at home, or wherever else you choose to spend your holidays this festive season!

Ngā mihi

Andrew Barnes, Perpetual Guardian Founder and CEO

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Going back to basics on what Philanthropy is actually about.

Changes to the Overseas Investment Act

From 22 October 2018, a new step has been introduced in the process of buying a home. As the purchaser, you will now be required to sign a statement (known as a "Residential Land Statement") confirming that you are eligible to be able to buy residential land in New Zealand. A separate statement must be signed by each individual person who is purchasing.

Most people will recognise whether they are eligible to buy residential property in New Zealand or not. For example, if they are New Zealand, Australian or Singaporean citizens, then there is no issue. But if, for example, you are not a New Zealand citizen, have a New Zealand Permanent Resident Visa but do not live in New Zealand, then you are not automatically eligible to buy residential property in New Zealand. In those cases you will need to apply for consent to buy a home. That application is made to the Overseas Investment Office.

As purchaser, you are required to state within the Residential Land Statement that, to the best of your knowledge and belief, you are eligible to buy the land and the transaction does not require consent under the Overseas Investment Act.

Once the Residential Land Statement is signed by the purchaser of the property, it will be provided to your conveyancer handling the purchase transaction.

If a family trust is purchasing residential property in New Zealand, the new requirements will still apply. While the beneficiaries of that trust are not themselves required to make a statement, the trustees are. However, one trustee may make a statement on behalf of all the other trustees, provided that trustee has knowledge of whether or not consent is required, and that trustee is authorised to make the statement on behalf of the other trustees.

While most family trusts are, and will continue to be, eligible to buy residential land in New Zealand, care is required to ensure that it comes within the rules. If "overseas persons" control 25% or more of the decisions of the trust, or 25% or more of the beneficiaries are themselves overseas persons, then

the trust will be subject to the Overseas Investment regime.

Inheritance of residential land is exempt from the need for consent, whether the inheritance is by and or from an overseas person.

If you have any doubt whatsoever whether you might not be eligible to buy under the Overseas Investment Act 2005, please speak to one of the staff at Perpetual Guardian.



Legislation Update: Trusts Bill

On 2 November 2018 the Justice Select Committee reported back to Parliament on the Trusts Bill (which you can [access here](#)).

The Committee recommended some amendments to the Bill; most of them are fairly minor. One of the more interesting changes is the introduction of a guiding principle for Trustees: "a trustee must have regard to the context and objectives of the trust".

The Bill now goes before Parliament for a second reading and may be amended before it goes to Parliament for a third and final reading. We don't know when these readings will happen, but after they've occurred, the Bill will receive the Royal Assent and become an Act. The Act will then come into force 18 months after Assent.

We'll keep you updated on progress in future newsletters.

Christmas Recipe!

We asked the team for their favourite Christmas dinner recipes and held a vote for the most popular one to share with you. The winner? This delicious rendition of Nigella Lawson's Christmas Chocolate Pudding for Christmas Pudding haters

Ingredients:

For the Pudding:

- 175 grams plain flour
- 1 teaspoon vanilla extract
- 40 grams cocoa powder
- 175 grams caster sugar
- 175 grams soft butter
- 60 millilitres plain yoghurt
- 3 large eggs
- 2 teaspoons baking powder
- ½ teaspoon bicarbonate of soda

For the Sauce:

- 125 grams milk chocolate (chopped)
- 125 grams dark chocolate (chopped)
- 250 millilitres double cream
- 75 grams golden syrup
- 4 teaspoons vanilla extract



Method:

You will need a 1.7 litre / 3 pint heatproof plastic pudding basin with lid.

1. Butter your heatproof plastic pudding basin, remembering to grease the lid, too. Make sure you have adequate boiling water in a pan (or a conventional steamer) on the hob to steam the chocolate pud.
2. Put the flour and cocoa powder into a processor and blitz to get rid of any lumps.
3. Add all the remaining pudding ingredients to the processor and blitz, for longer this time, to mix. Take the lid off, scrape it down, then put the lid back on for 3 more long pulses, scrape the chocolate batter into the prepared basin, smooth it down (the batter will come only halfway up the basin) and put on the lid. Wrap the basin tightly in foil, so no water could possibly get in, and steam in the boiling water in the pan or steamer for 1 ½ hours (by which time the pudding will have risen to about 4cm / 1 ½ inches below the lid). To cook it for longer will do no harm.
4. To make the sauce, which can easily be done before you eat, and reheated just before you serve the pudding, put all the sauce ingredients into a saucepan and place over a gentle heat to melt, stirring every now and again and then whisking, off the heat, at the very end, to combine smoothly.
5. When the pudding is ready, remove it carefully from the pan or steamer without burning yourself, then unwrap from its foil casing, unclick and remove the lid. Put a plate, or a stand, with a slight lip, on top, flip both upside down, so plate and pudding are the right way up, and wiggle off the basin.
6. Pour some hot sauce over the pudding, so that it just covers the top and falls in glossy, licking drips down the side, and pour the rest of the sauce into a jug or bowl to be served with a spoon.

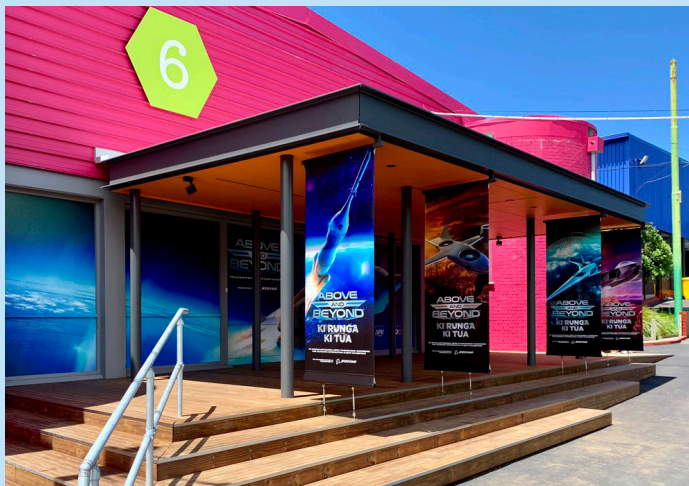
A year in review

Special Children's Christmas Party

Every year, the Special Children's Christmas Party (SCCP) puts on an incredible event for over 2,000 special needs children and their families.

A toy cave, fun rides, interactive games, face painting and many more activities are all part of the day that brings the Christmas spirit to those who wouldn't otherwise experience it.

The Perpetual Guardian team is happy to help support the simple but clear goal of the event: to put smiles on these children's faces for at least one day this year!



Above and Beyond Exhibit

How does an aircraft fly? What does it feel like to soar like a bird?

These questions and more are answered in MOTAT's new exhibition 'Above and Beyond'!

We're very excited to be part of the expo as principal New Zealand sponsor and highly recommend making a trip to the museum while this special exhibit is on.

Nelson Centre of Musical Arts

It has been said that music is a piece of art that goes straight from the ear to the heart.

We couldn't agree more, which is why we're happy to have contributed to the 'Take your Seat' fundraising initiative of the Nelson Centre of Musical Arts that helped restore the unique heritage building.

That means you're able to sit in a Perpetual Guardian seat now the doors of the auditorium are reopen!



Otago Museum's Perpetual Guardian Planetarium

Since 2015, we've been involved with the Otago Museum's 'Reach for the Stars' programme.

We're happy that our on-going sponsorship of the programme means around 3600 children from rural or low-decile schools get to experience the wonders of science, technology and space at the Perpetual Guardian Planetarium.

If you live in, or are visiting, Dunedin, it's well worth spending a couple of hours exploring the space!



APPA - Music Festival

Earlier this year, Perpetual Guardian stepped in to help keep the tradition of the Auckland Primary School Principal's Association Music Festival going.

In its 8th decade this year, the festival is a place where families from all around Auckland come together to see their youngster's big moments on stage.

On at Auckland Town Hall twice a week throughout November, the concerts are also open to the public and make for a lovely evening of family, fun and music.

Shaping the character, calibre, and future of New Zealand's up-coming Opera stars

The legacy of an extraordinary woman is set to help the careers of young New Zealand singers. The late Patricia McCormick was known to be intensely private and to harbour a deep love of opera.

When Ms McCormick was making her Will with Perpetual Guardian, her thoughts turned to our future stars of opera, and Perpetual, with the assistance of The Auckland Opera Studio, has established an Opera Aria Competition in her name.



Review of the Property (Relationships) Act 1976

In October 2017 the Law Commission released an issues paper to establish if the existing rules in the Property (Relationships) Act 1976 still achieve a just division of property when a relationship ends.

Following feedback to this paper, the Commission concluded that the Act needs to change to ensure the law is fair for most people most of the time.

On 2 November this year, another issues paper “Review of the Property (Relationships) Act 1976: Preferred Approach” was released with a preferred package of reforms. You can [access it here](#).

Submissions or comments are open until 14 December 2018 and the Commission will make its final recommendations to Government in 2019.

Our team made submissions on the initial paper and will also do so for the second paper. However, we will only cover the relevant parts of the paper that affect Trusts and our clients.

The main changes the preferred-approach paper covers in relation to Trusts include:

- Property owned by either or both partners should be classified as relationship property if it was acquired before the relationship for common use or benefit, was acquired during the relationship (other than as a gift or inheritance) or is a family chattel.
- Property acquired by one partner before the relationship began, or as a gift or inheritance during the relationship, should be separate property. This could include the family home, but any increase in value of the home would be relationship property.
- The rules that apply to relationships on death are to be looked at separately together with a review of other legislation so that a more comprehensive set of rules around succession law can be put in place.
- The Courts will be able to comprehensively use Trust property to settle relationship property matters where the Trust property was produced, preserved or enhanced by the relationship.
- The Courts must be satisfied that the use of the Trust property, to settle relationship disputes, is “just” having regard to a number of considerations so that a balance is achieved between protecting a partners’ entitlements v the preservation of Trusts.



We'll keep you up to date with progress in future newsletters.

For the love of mankind: What is Philanthropy?

At Perpetual Guardian we talk a lot about philanthropy. Sometimes, however, we have to remind ourselves that for many people, philanthropy is an unfamiliar word.

So, what exactly is philanthropy? Does it mean the same thing as charity...but for people with a lot of money? No and no! Here's your quick guide to philanthropy and why anyone can be a philanthropist.

What is the difference between philanthropy and charity?

In broad terms, philanthropy can be defined as improving the wellbeing of humankind and solving social problems. Its meaning is derived from the Greek words *philos* (love) and *anthropos* (humankind).

So whilst charity focuses on reducing the suffering caused by social problems, philanthropy aims to eliminate the social problems themselves through supporting projects which benefit everyone. For example, charity involves donating to provide shelter for the homeless, whereas philanthropy tackles the root causes of homelessness.

Both are important acts of goodwill, but philanthropy is longer-term and more strategically-focused.

Who invented the concept of philanthropy?

Human beings have been helping each other since the beginning of time. Philanthropy as a defined concept was first described by the Greek historian Plutarch in the second century AD. The notion transcended religions and cultures – you can find references to philanthropy in the Bible, the Qur'an and many other historical texts. Of course, the concept of philanthropy has evolved and been interpreted differently over time but essentially, it is giving for the good of society.

What are the current trends in philanthropy?

When it comes to solving social injustice and suffering, we still have a long way to go. But, modern philanthropists are becoming more attuned to the problems faced by those in need. There's an increasing trend to work in partnership with vulnerable communities, tapping in to their personal understanding of the challenges they face. Today's philanthropists also want more control over the ways they give and want to understand the impact they are creating.



How do I become a philanthropist?

How you get started depends on your financial resources and the level of involvement you would like to have.

Philanthropy has always been a key part of Perpetual Guardian's business. We manage around 600 charitable entities and grant \$30 million to charitable causes each year. This means we can advise you on ways to structure your giving for maximum impact.

The Perpetual Guardian Foundation, for example, is a charitable entity designed to make philanthropy accessible to everyone. For as little as \$5, you can contribute to the general fund which will support worthy non-profit organisations and causes in New Zealand. With a larger contribution, you can create your own customised giving programme, so you can back the causes closest to your heart.

To have a chat about how you can make a difference, speak to one of our Philanthropy team members on 0800 87 87 82 or philanthropy@pgtrust.co.nz

With the holiday season upon us...

we'll be closing our branches from 22 December to 7 January!

However, we do have staff on-call for you should you need assistance during this time.

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