

MackKay

ON MONEY

BY FINANCIAL PLANNER CHRIS MACKAY

DON BRASH WOULD HAVE BEEN NZ'S PRIME MINISTER TODAY HAVING NARROWLY BEATEN HELEN CLARK IN LATE 2005 AND HER REPLACEMENT IN 2008, BUT HE MADE SOME COSTLY ERRORS OF JUDGEMENT DURING HIS FAILED CAMPAIGN.

I wrote to him after an address at Avalon Studios to all the Rotary Clubs in the Hutt in early 2005, suggesting if he wanted success in November, then he should stop rabbiting on about how much tax money finds its way "to [those civil servants in] Wellington" (and by the laws of economics the greater Wellington region including the Hutt Valley).

His speech was full of how under Labour, Government departments and the consequent cost to us Kiwis, had grown like topsy and there was also much duplication. One example was the Tertiary Education Commission which he belaboured and dissected at length.

My well meaning counselling to desist from scaring the hell out of Wellingtonians and Huttites (if he wanted to win the upcoming general election) fell on deaf ears though, despite a reply from some minion thanking me and saying Don would consider it in future or some other meaningless platitude.

Because even though he was 100 per cent correct, Don didn't stop criticising the burgeoning Civil Service and ergo the economic backbone of Wellington. Every "policy analyst" and "consultant" and salaried civil servant whose income comes from the tax payer, and there are tens of thousands of them in our region, could see their jobs going out the window if the Don became P.M. And Wellington voted Labour in 2005 as a result.

The second thing the good Doctor did was to get into bed or at least on to the sofa with the Exclusive Brethren. Like Aussies who can trace their lineage back to a deported pommy criminal, our family feels quite proud of our involvement with these

basically well meaning but very secretive and well, to put it bluntly, exclusive folk. George MacKay and Elizabeth Gray arrived in Invercargill in the mid 1800's. They were good Christian people and were already or soon became Exclusive Brethren.

Their son, my grandfather Charles MacKay, drifted towards the very sensible and practical Southland Presbyterianism but his sisters and mother stayed with the Exclusive Brethren .

Somewhere in the early part of last century, they must have decided to have a cup of tea with a non Exclusive Brethren or they may have listened to a radio, which of course was directly hooked up to the devil. The powers that were, took exception to these well documented and prohibited nefarious activities and had great delight in excommunicating them. After that fateful day, they subsequently converted to being Plymouth or Open Brethren and could thereafter with impunity have cups of tea with all and sundry while listening to the concert programme raucously playing in the background.

Anyway, Don Brash, if you remember, foolishly in retrospect, suffered another serious error of judgement, and met some of these latter day Exclusive Brethren who subsequently had a bit of an anti Labour and pro National campaign, which incurred the wrath of the NZ public who metaphorically excommunicated dear old Don.

The point of all this. Dr Brash was up until recently chairman of a KiwiSaver provider, inexperienced in funds management, called Huljich Wealth Management, run by a family who had made a small fortune in some other field unrelated to looking after clients'

monies. The CEO Peter Huljich decided to do a few dodgy things, including a behind the scenes kicker from his own pocket which overly inflated their performance figures and thereby, along with an army of apparently unregulated door to door salesmen, who somehow unlike the rest of us financial adviser types, were not mandated to provide Disclosure Statements to their buyers, encouraged a whole lot of Kiwi savers (70,000 odd) to join their scheme. Now when you are managing clients' long term retirement savings, you have got to be squeaky clean and poor old Peter simply must have missed that particular lecture at Uni.

Along with chairman Brash, John Banks, the colourful Jafa was a director of this company. Despite calls to resign, they are both still there although Don is in a different role. Peter Huljich did resign as managing director and chief investment officer with his rich father replacing him on the Board. Their website at the time of writing this article still shows Peter as operations manager, so he is still actively involved it seems. Dr Don resigned as chairman but became managing director and chief investment officer, despite no practical funds management background at all in this space.

I'm not surprised, because despite being a very well meaning gentleman and a very nice chap to talk to when I last had a glass of wine with him, it yet again shows a huge lack of judgement. He and John Banks should resign and as Gareth Morgan suggests, the fund should be wound up and the clients and their individual portfolio balances distributed between the default KiwiSaver providers.

That would be showing some sound judgement.