

Minutes of the 26th Annual General Meeting Wednesday 28th July 2010

The 26th Annual General Meeting of the New Zealand German Business Association was declared open at 5:32pm.

President Erich Bachmann welcomed all members and confirmed that a quorum was present and declared the meeting open.

1. Apologies

Mr. Erich Bachmann advised that apologies from members were made available to the attendees on arrival. The apologies were moved by Robert Knox and accepted by all. Additional apologies were recorded for Patrick Gottstein und Gerard Hill.

2. Minutes of the 24th Annual General Meeting

Mr. Erich Bachmann advised that the minutes of the 25th Annual General Meeting held on the 4th June 2009 were approved by the Executive Committee as a true and accurate record and were distributed to members. These minutes were uploaded to the NZGBA website and members were advised by email. There were no matters arising. The minutes were moved by Jim Bibby, seconded by Robert Knox, accepted by all. There were no matters arising from these minutes.

3. President's Annual Report

Mr. Erich Bachmann presented the following report to the meeting:

Last year was very challenging and the prospects for 2010 seem to be very similar.

The global recession, higher unemployment rates and less consumption were just some of the main themes which dominated the economic landscape throughout 2009.

Few countries escaped the impact of these negative factors and Germany was no exception. Germany's GDP had already contracted in the second and third quarters of 2008, putting the country in a technical recession. German industrial output also suffered a considerable decline during that period. In January 2009 the German government approved a €50 billion (\$70 billion) economic stimulus plan to protect

several sectors from the downturn and a subsequent rise in unemployment rates.

Germany exited the recession in the second and third quarters of 2009. This was attributed primarily to rebounding manufacturing orders and exports from outside the Euro Zone and relatively steady consumer demand.

As for economic prospects for 2010 in Germany, a general recovery of the economy continues despite the Greek debt crisis earlier this year and the associated uncertainties which this episode created within the EU.

The GDP is anticipated to grow by more than 2% and private consumption is predicted to record a slight increase of 0.75% as a result of certain tax relief measures and only a marginal decline in employment. The unemployment rate for 2010 is likely to remain at around 8%.

The deficit ratio has been predicted to be at about 5.5% of GDP with the general aim of pushing it back to below 3% by 2013.

After a decline in exports during the recession by almost 20%, the export sector in Germany has registered encouraging levels of growth.

However, a slow-down of the recovery process is expected in the second half of 2010. It remains to be seen how effective the recent economic measures within the EU will be following the recent Greek debt crisis.

The economic outlook for New Zealand for 2010 is generally considered to be reasonably positive with an expected GDP growth of 3.7%. The past few months have also featured some interesting announcements by the New Zealand Government including an increase in the goods and services tax rate from 12.5% to 15% and a reduction in corporate and personal income tax rates. The Reserve Bank also announced the first increase in the Official Cash Rate in three years when the rate had reached its peak of 8.25%. The Official Cash rate now stands at 2.75% (up from a low of 2.5%).

After a continuous rise of the unemployment rate from 3.90% at the beginning of 2008 to its high of 7.10% in December 2009, it is now stable at approximately 6% for the March 2010 quarter. This relatively low unemployment rate has placed New Zealand in 10th place among 30 OECD countries, with Norway and the Netherlands leading the list with unemployment rates of 4% or below. The unemployment rate is expected to decrease over the next two quarters but at a lower rate than in the first quarter of 2010, with a slightly larger fall predicted in the December 2010 quarter.

The development of the NZD / EUR exchange rate has seen the NZD strengthening against the EUR over the past 18 months; recovering from its historic low of NZD 0.40 in February 2009 to currently (mid-July 2010) almost NZD 0.56.

Amongst other noteworthy (non-economic) aspects taking place in Germany in 2010 is the upcoming 200th Oktoberfest hosted on the Wies'n in Munich from 18 September through to the 4th October. It is the 6th anniversary for the Oktoberfest held by the New Zealand German Business Association. On a more sophisticated level, the famous Meissen porcelain celebrates its 300th year of porcelain manufacture with a number of events throughout 2010.

But what has happened at the New Zealand German Business Association in 2009 and what can be expected from 2010?

The audited accounts of the Association unfortunately show a deficit of just over \$13,000 for the year ended 31 December 2009. We do not want to repeat this loss this year. This loss cannot be attributed to one particular item but is made up of a number of factors such as increased administrative costs that were unavoidable, exchange rate fluctuations going against us, on-going IT expenditure, and the inevitable belt tightening that happens in a recession immediately impacting on incoming membership subscriptions and expenditure on events. This is certainly not a result that we wish to repeat this year.

In terms of membership numbers, the Association welcomed 32 new members. This compares with 35 new members in 2008. The membership figures have been steady over the last two years and compare well with similar associations. Whilst overall membership of the NZGBA has declined as a result of

member resignations, it is nevertheless encouraging to note that the Association has a membership base which, with very few exceptions, is second to none for comparable trade organizations in New Zealand

The NZGBA's service focus is on providing current and potential members with information on the German and New Zealand markets, support in research areas, as well as identifying trade leads and opportunities. I would like to thank Oliver Rube who has just spent 6 weeks in Germany and has done a fantastic job over there visiting potential clients for the NZGBA.

Our main method of communicating news to our members is the newsletter and enquiries via our website. We encourage all members to regularly review this information.

The year 2009 was packed with events, from smaller workshop gatherings to the annual **Oktoberfest** held at the SkyCity Convention Centre and **the Renewable Energy Delegation Conference**.

The **Oktoberfest** proved its resilience through the financial crisis with stable attendance numbers although we had budgeted for growth. It was a night full of enjoyment and fun which also raised just under \$5,000 for the designated charity, the Make a Wish Foundation.

The **Renewable Energy Project Conference** in November was another successful and constructive event aimed at enhancing contacts between New Zealand and Germany in this sector. With New Zealand's focus on its Energy Strategy 2050 programme, exposure to leading German technology is an important factor in the quest towards the target of 90% of New Zealand's energy needs being obtained from renewable sources.

Also worth a mention:

- The German Subsidiary CEO gathering with Dr Brauner, from the German Federal Ministry of Economics.
- The **Midwinter (German) Christmas Dinner**, which was held at the Heritage.
- The breakfast held in Wellington on the 6th of October for members and clients including the **new German Ambassador** to New Zealand, His Excellency, Mr. Thomas Meister. He is certainly a strong supporter and is frequently available in Auckland.

- The **German Film Festival** organized by the Goethe institute in conjunction with the German Embassy and supported by the NZGBA was also a very welcome addition to last year's events calendar. We had a huge attendance which was nice to see.

I take this opportunity to thank all our sponsors for their generous support of the NZGBA's events throughout the year. None of these events could have taken place without our sponsors. Your ongoing assistance is certainly very much appreciated.

Finally, I would like to extend a big thank to all members of the NZGBA team, ably led by our CEO, Monique Surges, for their dedication and hard work throughout 2009 and beyond. I would like to thank Monique for her energy and all the work she puts in.

I would like to take this opportunity to acknowledge Birgit Herrmann who works for the international department of Auckland City Council and looks after the strategic alliance between Auckland and the city of Hamburg. A recent Animation Film awards ceremony held at the Auckland City Council with H.E Mayor John Banks in attendance highlighted this alliance. We hope that Birgit's sphere of influence will increase with the Super City Council.

There were no further discussions, the President's report was moved by Andreas Bodenstein, seconded by Ulli Weissbach and agreed by all.

4. Adoption of the annual accounts

The financial statements for the year ended 31 December 2009 have been made available on request and are included in the information provided to the attendees.

The treasurer Mr. Robert Knox commented as follows on the results of the financial year 2009:

He stated that Mr. Erich Bachmann had covered the major items affecting the accounts of the previous year and that the financial situation for the NZGBA is comparable to a roller-coaster ride with the NZGBA facing a relatively high overhead in regards to fixed costs.

Although there was a significant loss recorded in 2007 as no income from the Renewable Project could be generated; 2008 proved to be a better year and recorded a surplus of \$51,000 making up for the loss recorded in the year 2007. 2009 was marked by a

few events including the Renewable Energy Project which took place on a reduced scale thus rectifying the problem from 2008. To note is that in 2008 the NZGBA made an exchange rate gain of \$28,000 whereas in 2009 a loss of \$16,000 was recorded.

Income is mainly generated from the membership subscriptions, the trade service fees including the Renewable Energy project and the Oktoberfest. However in recent times it has not been easy to generate income. This year's aim should be to get out of the red and aim for a zero balance.

Mr. Knox asked the audience whether there were any questions about the financials or the areas he had highlighted. There being no questions Mr. Robert Knox moved for the adoption of the New Zealand German Business Association's financial statements for the year ended 31 December 2009 duly audited by WHK Gosling Chapman. This decision was seconded by James Shearer and was agreed by all.

5. Appointment of auditor

Mr. Robert Knox moved that WHK Gosling Chapman be appointed as auditors for the year 2010. This motion was seconded by Mr. Ulli Weissbach and agreed by all.

6. Membership Subscriptions

Mr. Erich Bachmann pointed to the difficult operating times, which also have an impact on the membership subscriptions.

It was noted that there were some critics at the previous AGM that the subscriptions were not adjusted annually. A modest annually increase is less likely to result in a drop in membership than a bigger increase of subscription fees on a less frequent base.

As there had not been an increase in the subscriptions since 2008 the committee felt it was necessary to make an upward adjustment. The committee proposed that the membership subscriptions should be increased by approximately 10% rounded to the nearest \$10.

Individuals: \$260 to \$280
 1-30 employees: \$350 to \$380
 Over 30 employees: \$490 to \$520
 EURO based members: €180 to €200

Some discussion ensued at this point.

Mr. Robert Knox asked the audience whether the fees are comparable to other organizations. This was confirmed by Liz Maxwell who stated that the fees compare more than favorable to other associations.

Mr. Dennis Schweder inquired whether the increase in membership subscriptions could result in more members resigning. Mrs. Monique Surges stated that most members have not resigned in the past due to the membership costs but simply because the business's focus had shifted away from Germany. A further question asked by Mr. Erich Bachmann referred to the last increase and its effect on the membership then. Mrs. Monique Surges confirmed that a drop-off had been somewhat noticeable.

This decision to increase membership subscriptions was carried by all.

7. Election of Committee and Officers

The chair was passed to the Chief Executive Officer, Mrs. Monique Surges, to conduct this section of the meeting.

Mrs. Monique Surges advised that in accordance with the rules of the New Zealand German Business Association, a number of nominations were received in writing.

Before reading these out Monique Surges formally thanked the committee for the fantastic job they did, giving their time and support over the past year.

She also informed those present that there were changes to the Executive Committee during the year with Mr. Dean Sheed (European Motors) taking over from Mr. Grant Smith and Mr Paul McPadden(KPMG) taking over from Lars Kuver. Mr Tim Woolfield indicated he wished to step down. Two new nominations had also been received for Mrs. Joanne Hand (Realtech Ltd) and Mr. Paul Ravlich (Siemens NZ Ltd).

All nominations were accepted and the 2010/2011 Executive Committee was confirmed as follows:

Erich Bachmann, Hesketh Henry, as President
Robert Knox, BDO Spicers, as Treasurer
Grant Bevin, Business World Travel, as Vice President
John Robinson, Wallenius Wilhelmsen Lines
Ulf Barnhard, Schenker NZ Ltd
Dean Sheed, Volkswagen - European Motors
Jim Bibby, Stihl NZ Ltd
Stefan Kurtze, BMW NZ Ltd
Paul McPadden, KPMG
Joanne Hand, Realtech NZ Ltd
Paul Ravlich, Siemens NZ Ltd
Monique Surges, as Executive Director

8. General Business

The NZGBA received no notice of any general business for consideration at the meeting.

Mr. Ulli Weissbach took the opportunity to express his sincere apologies to the New Zealand German Business Association for having dragged the association into the World Club issue and at the same time issued a warning:

Mr. Weissbach had been approached by a man called Jan Busing who is the president of the German World Club in Dubai and had invited Mr. Ulli Weissbach to become a member of the German World Club and then set up the German World Club in New Zealand. However, this complete approach was basically a pyramid scheme aiming at making money based on the number of members. The business model applied is to sell the role of sponsorship based on the number of members. Ulli Weissbach's warning was well received.

One suggestion made by Mr. Simon Fawkes was to send a letter to the IHK Duisburg expressing our deepest sympathies for the deaths that have occurred during the recent love parade. This suggestion was accepted by all.

Mr. Bachmann thanked Mr. Ulli Weissbach for the information provided and Mr. Simon Fawkes for his suggestion.

Mr. Bachmann declared the 26th Annual General Meeting closed at 5:59pm.