



Welcome...

Triplejump is committed to developing effective ways of increasing the awareness of Human Capital Risk issues for New Zealand's Small to Medium Enterprises (SMEs). With close to 450,000 SMEs in New Zealand, it is important we work towards protecting the wealth created by these private enterprise.

It is natural to be optimistic about the future but experience has taught us that good business management includes planning for those defining events that could have undesirable outcomes especially where those events could erode your wealth.

Triplejump continues to grow from strength to strength with 17 Franchise offices now established throughout New Zealand. Keep an eye on our website which shows you where we are. Our Advisers look forward to hearing from you, your family and friends.

Best wishes

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Guardianship - the reality

From birth until they are of an age to undertake this for themselves, children are dependent on others to contribute to their wellbeing and make important decisions in their lives. Who legally has this right, duty, responsibility and power to look after children? You do, if you are the guardian of the child. But what makes you a guardian? This article helps define who is a guardian, and their role and responsibilities.

Are all parents guardians?

Generally a mother and father will be joint guardians of a child. A child's mother is automatically a guardian. However, being the biological father does not automatically make you a guardian.

A father is automatically a guardian in the following situations:

- He was married to or in a civil union with the mother of the child at any time during the period beginning with the conception of the child and ending with the birth, or
- The child was conceived on or after 1 July 2005 and he was living with the child's mother at any time during the period beginning with conception of the child and ending with the birth, or
- The child was conceived before 1 July 2005 and he was living with the child's mother at the time the child was born, or
- He is recorded on the child's birth certificate on or after 1 July 2005.

If you are not automatically a guardian but as the father you wish to have guardianship rights for your child, you can make an application to the Family Court to become a guardian. The court will consider whether or not it is in the child's best interests for you to be appointed. In addition to parents, there are circumstances in which other people may also be appointed guardians of a child either by the court or in a deceased parent's Will – these are called 'testamentary guardians'

What is the role of a guardian?

If you are a child's guardian you have the rights, duties, powers and responsibilities to:

- Contribute to the child's intellectual, emotional, physical, social, cultural and other aspects of their personal development
- Decide, or help the child decide, important matters such as:
 - The child's name (and any changes to it)

- Where the child lives
- Where the child goes school
- How the child is to be educated
- What their culture, language and religion will be, and
- Medical treatment for the child.

Your rights, duties, powers and responsibilities as a guardian do not cease due to separation and not having the child in your day to day care.

The reality is that, as long as you are a guardian, and that role has not been removed by the court, the child depends on you to act jointly with the child's other guardian/s, to make good decisions that are in their best interests.

Legally guardianship ends when a young person reaches 18 years of age or gets married, enters a civil union or starts a de facto relationship (although all these need a guardian's permission). However, common sense says that guardianship (and parental) moral responsibilities to those in their care never end.

The decision making process

Guardians have a duty to consult each other before they make any guardianship decisions. The best decisions guardians can make for a child are those reached by agreement. When guardians are on the same path, children are more likely to have certainty and security in what they are doing than when their guardians are in disagreement, or only one guardian is making all the decisions.

When attempting to reach agreement, guardians may consider the following:

- The advantages and disadvantages of various options, for example, which school best caters for the child's needs
- The child's views or wishes (if they are of an appropriate age and maturity to express these, it tends to be around the age of 12 and upward), and
- The child's welfare and best interests including the:
 - Impact that the decision may have on the child both now and in the future, for example,

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considering a surname change, and the

- Effect the decision may have on the child's continuing relationships with important people in their lives, for example, considering moving the child to another town.

Early discussion of issues between guardians in an open, co-operative way, ensuring the child's welfare and best interests are the first consideration, can save time and money later.

If agreement cannot be reached, you can attend free counselling through the Family Court. If no agreement is reached at counselling you can

ask the Family Court to make the decision for you. The court will consider the child's welfare and best interests, and will take into account the child's views and wishes if they are old enough to express them.

Conclusion

Guardians should all contribute in a positive way to a child's life by working together when faced with guardianship decisions for the benefit of the child. Don't give away the opportunity or shy away from the responsibility to be involved in the child's life.

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Life Happens – have you got it covered?

In December 2007, Stewart Hickey was out on the tractor back filling a trench. Stewart and Melissa, who have three children, share milk 600 cows in Waiuku, south of Auckland. Like many farming couples, the Hickey's had substantial debt and they were putting in the hard yards; making sacrifices now to get ahead in the future. In the previous year the family invested a substantial amount in a new milking platform which meant the farm made no profit and the family essentially no income. The trench Stewart was working on was an improvement to the farms water supply.

In an instant, everything changed. The tractor got too close to the edge of the track and rolled two and half times crushing Stewart as it went, damaging his spinal cord and leaving him quadriplegic. Stewart spent 40 days at Middlemore Hospital in intensive care and eleven months in a speciality spinal unit in Otara.

In the immediate aftermath Stewart's brothers, father, aunt and uncle – all farmers – pitched in as did the neighbours, to keep the farm going. Their two staff took on some management responsibilities. Financially, ACC paid for the cost of Stewart's medical treatment and provided some assistance to build a house to cater for Stewart's special needs. But because of the farms prior year result, there was very limited entitlement to an ACC income benefit; there was also no compensation for Melissa's travel and accommodation costs or any money to hire someone to help out at home.

The couple had limited insurance policies in place and whilst they provided some income to the family, two years on from the accident the cover is coming to an end. And while ACC is now paying Melissa to provide full time care

for Stewart, the farm itself is still not producing personal income for the Hickey's because of the extra cost of employing a farm manager. Stewart and Melissa are determined to stay on the farm but they face some daunting challenges.

To keep the farm running they require financial support to pay labour between \$70,000 – \$100,000 per annum, financial support to enable Stewart to get back to work using an automated farm vehicle and automated gates, at least \$30,000 and a reduction in debt to reduce the

financial pressure to the farm and enable it to grow.

Whilst the farm has needs, so does the family. The event has had a huge emotional and physical impact on the family, changing the dynamics, reducing the amount of personal time and meaning no more holidays. Their lives are ruled by the clock. Stewart and Melissa worry how they will cope when the little income cover they have stops. There is still reconfiguration on the house to be done, debt to reduce and alternative medical treatments to consider.

There is still a long road ahead to get anywhere close to realising their dreams but the family count their blessings, the time of year the event occurred reduced the effect it had on their farm, a small blessing in what to them was a catastrophic event.

Are your contingency plans robust enough so that even in the worst case scenario, your financial situation is secure?

- If you are self employed and are not taking income from the business with PAYE deductions then you need to talk to your adviser about how they can help to structure your ACC correctly so that you are not paying for something you may not get
- You also need to ensure that irrespective of the cause of your disablement your loss of income is protected for the long term
- If you suffered a permanent disablement have you made sufficient contingency to cover the increased personal costs that you are likely to incur?
- Have you adequately protected your business against the loss of a key person?

Stewart's Advice

'We were so close to being able to take things a little easier, but now everything is at risk. I don't know what the future holds. We nearly cancelled the little insurance we had; I'm so glad we didn't'

Melissa's Advice

'Think of the worst case scenario and how you would cope. Make sure you have a good plan to cover the business and personal risk. You just cannot afford not to'

