



CELEBRATING  
one hundred years  

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1908 » 2008

  
NEW ZEALAND  
INSTITUTE OF  
CHARTERED  
ACCOUNTANTS

# Centennial Press Kit

## Institute celebrates 100 years

New Zealand's professional body of accountants is 100 years old. An Act of Parliament passed in 1908 established the New Zealand Society of Accountants which more recently became the New Zealand Institute of Chartered Accountants.

From a foundation membership of 2116 people (including several women) the organisation now has nearly 30,000 members and is a member of a worldwide alliance of nine best-in-country professional bodies representing more than 700,000 members.

To mark 100 years, the New Zealand Institute will be holding a series of events throughout 2008.

2008 President Graham Crombie says:

"We have a great history to be proud of. We also have a great future. We are well positioned for the changing realities of business and our profession. I'm looking forward to travelling to our branches throughout New Zealand and in three cities around the world to help our members celebrate the past and the next 100 years."

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## Key facts about the Institute

- Established by Act of Parliament in 1908
- Responsible for establishing standards for and regulating the accounting profession in New Zealand
- Nearly 30,000 members, of whom more than 20% are overseas in one of 91 countries around the world
- 18 branches, included three overseas branches (in London, Sydney and Melbourne)
- Three membership qualifications: Chartered Accountant, Associate Chartered Accountant and Accounting Technician
- One of nine professional bodies forming the Global Accounting Alliance, a multi-country alliance representing more than 700,000 members
- Slightly over 30% of members work in Chartered Accountancy firms offering accounting services to the public. Nearly 50% work in the private sector, and the remainder in the public sector and for not-for-profit organisations.

## Key spokespeople

Judy Knighton, Communications Manager, Tel 04 9175 621

Graham Crombie, President, Tel 03 477 9923

Keith Wedlock, Acting Chief Executive, Tel 04 9174 869

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## A short history

1908 was a year of beginnings. For the first time, the New Zealand population passed one million; New Zealand won its first medal in the modern Olympics; the first wireless message was sent between Australia and New Zealand; the first Model T Fords were produced in the United States, and 12 were purchased in New Zealand. On 15 September 1908, the New Zealand Society of Accountants Act was passed into law, marking the start of the professional body now known as the New Zealand Institute of Chartered Accountants.

The Act provided the new Society with the power to train and examine prospective members and promote the efficient practice of the accountancy profession. In 1909, the Society processed the first applications for membership. The first intake included a number of women, making the Society one of the first national accountancy bodies in the world to accept women members.



The Society's first Council (1910)

Peter Barr of Dunedin, one of the principal supporters of the new Society, was elected its first President, and Ernest Hunt as the first secretary.

From the very beginning, members recognised the importance of the education of the next generation of members, and in 1911 the University of New Zealand and the Society reached an agreement on a new Bachelor of Commerce degree that would include the subjects of the accountancy professional course. The Society agreed to contribute £400 per year for five years to accountancy lectures at the University's four colleges (Auckland, Victoria, Canterbury and Otago).

The Society also entered into an arrangement with the *Mercantile Gazette of New Zealand*, paying a yearly fee in return for an Accountants Corner. This arrangement was maintained after the *Accountancy and Commerce* publication began in 1914, and between the two publications, the profession received considerable coverage.

World War 1 began in 1914. 150 members of the Society served with the forces overseas; 30 of them died. During the war, subscriptions of those on active service were waived, public accountants undertook work to maintain the practices of their absentee colleagues, and a free tuition scheme provided retraining opportunities for partially disabled soldiers.

During the post-war decade there was a lot of debate about the education of prospective members, with low passes in the Society's exams leading to an overhaul of the accountancy syllabus. The Society also began publishing the *Accountants Journal* (now the *Chartered Accountants Journal*), and in 1928 it drafted and adopted the first official Code of Ethics.

Following the New York Stock Market crash in 1929, New Zealand and the world plunged into the Depression. Between 1930 and 1932 membership of the Society dropped to 1944 as 291 members allowed membership to lapse.

In 1931, three weeks before the Society planned to hold its Annual General Meeting in Napier, New Zealand's worst earthquake hit Hawke's Bay, killing 256 people. At the AGM (hastily rescheduled for Wellington) members unanimously voted to approve £100 already spent plus a further £1000 for the rehabilitation of colleagues in Napier and Hastings, and £250 for the earthquake relief fund.

In 1933, the Companies Act restricted the appointment of auditors to qualified persons. This followed some heavy lobbying and negotiations between the Certified Accountants' Association (whose members were not qualified by examination) and the Society.

Several New Zealand accountants attended the World Congress of Accountants in London in 1933. This was also the year that Hitler became chancellor of Germany – and by the time of the next Congress (in Berlin in 1938) he had begun expanding German territories in Europe. The Society's delegate to the Congress, after a hair-raising experience in Europe, spent the days of the Congress recovering in hospital in London. (His arrival in Europe coincided with a rise in anti-British feeling; he was hassled, detained in a military camp for four days, and eventually made his way to London with no luggage and three shillings in his pocket.)

In 1940, the Centennial Exhibition in Wellington attracted 2.5 million visits; the 1940 Convention of the Society was held at the same time, and many members came to both events. During World War 2, as with World War 1, many members served in the armed forces – 967 are named in the official Roll of Honour, 30% of the membership. 48 members lost their lives.

Towards the end of World War 2, with the resignation of the Society's secretary, the Council agreed to appoint a full-time secretary who would also act as editor of the *Journal*. James (Jim) Tocker was appointed, and faced a number of challenges, including finding permanent premises in Wellington and managing the huge growth in membership between 1946 (3627 members) and 1952 (5560 members). The population of New Zealand passed two million in 1952.

In 1953, Queen Elizabeth II was crowned; Edmund Hillary and Tenzing Norgay were the first people to reach the summit of the world's tallest mountain, Mt Everest; and 151 people died when a lahar from Mt Ruapehu destroyed the railbridge at Tangiwai. In the same year, Jim Tocker stepped down, and was replaced by Alan Graham.

During the 1950s, the Council sought to introduce a practical experience requirement for candidates for admission. After previous attempts had failed, in 1955, the members accepted recommendations that all prospective members had to show five years' practical experience in an organisation capable of providing appropriate training. This change in qualification requirement meant a change in the Society's Act, and the New Zealand Society of Accountants Act 1958 was passed, authorising the Society to "regulate the practice of the profession" in New Zealand. (This clause is retained in the 1996 Act.) 1958 was also notable for the introduction of the PAYE income tax system, and the first 111 emergency telephone system.

The trend for New Zealanders to travel overseas began in the years after the war. In 1959, more than 200 members were living overseas – many of them in London; today, 20% of members are resident somewhere other than New Zealand, and the largest offshore branch is the UK Branch.



Fashion in dress may change – not so the desire for good food and fellowship. An early Society dinner in Auckland (1912) and the 1958 Presidential Dinner in the same city.





The Society's 51st Council (1960)

Between 1959 and 1960, the University of New Zealand established chairs of accounting in each of its four main colleges. The University was dissolved in 1961, and the four colleges each became a separate university.

The 1960s saw the building of the Berlin Wall, New Zealand's decision to send troops to Vietnam, the founding of the Palestinian Liberation Organisation, the assassination of Martin Luther King, the rise to fame of the Beatles, the first manned landing on the moon, Peter Snell's outstanding success in the Olympics at Rome and Tokyo, and the Wahine disaster in Wellington. Alan Graham resigned as the Society's fourth secretary, and was replaced by Ross Macdonald. In 1967, decimal currency was introduced in New Zealand.

In 1972, the Incorporated Institute of Accountants of New Zealand was wound up and its funds transferred to the Society, which was now the only national organisation in the field.

In 1973, the Professional Standards Committee was established to issue Statements of Standard Accounting Practice. This was also the year that the United Kingdom entered the European Common Market, and the population of New Zealand reached three million. In the following year, the Society became an associate member of the newly formed International Accounting Standards Committee (IASC).

The 1980s saw the official announcement of the AIDS epidemic, the Falklands War, New Zealand's first Lotto draw, and the introduction of the Goods and Services Tax (at a rate of 10%).

The Final Qualifying Examination (FQE) was introduced in 1989, the same year as the Public Finance Act, which required government departments and Crown agencies to prepare financial statements in accordance with generally accepted accounting practice and have them audited.

Ross Macdonald retired in 1992, and was succeeded as executive director by Diana Pryde.

In 1994, the new college structure (Chartered Accountant and Associate Chartered Accountant) was applied to existing members and the Accounting Technicians College was started in 1995. The Institute of Chartered Accountants in New Zealand Act was passed in 1996, maintaining the Institute's role as a regulatory body with responsibility for the profession in New Zealand.

1996 was a big year. Not only was the Act passed, but the first Professional Competency Exam 1 (PCE 1) was held, and Approved Training Organisations (ATO) and the mentoring scheme were introduced.

In 1998, Advanced Business Education Limited (ABEL) took over responsibility for administering Professional Competency Exams on behalf of the Institute. The last FQE and the first Professional Competency Exam 2 were held.

In 1999, the Institute elected its first woman President, Sue Sheldon of Christchurch.

Diana Pryde resigned in 2002 and was succeeded by Garry Muriwai as Chief Executive.

In 2006, the Institute began operating as the New Zealand Institute of Chartered Accountants, bringing its name into line with international practice.

In 2007, Mr Muriwai resigned to take up an opportunity overseas. Recruitment of the eighth Chief executive in the 100-year history of this professional body is currently under way.



99th Council in 2007

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## Premiere events

### Centennial conference

6 August 2008, Auckland Town Hall - Concert Chamber

A line-up of world class speakers will present on "Looking Forward: thought leadership through business".

### Centennial dinner

6 August 2008, Auckland War Memorial Museum - Events centre

The climatic event of 2008 will be a black-tie dinner with the luminaries of the profession and business world.