



Mackay ON MONEY

BY AUTHORISED FINANCIAL ADVISER CHRIS MACKAY

It was no surprise when I saw that Auckland's rates are going up 9.9 per cent. The general inflation rate for the year ended March 2015 was less than one per cent.

Astute readers will note the amazing cost savings the new amalgamated City Council has delivered. **Yeah right!**

And Auckland reared its ugly head again at a presentation I went to in favour of the Wellington airport runway being extended by 300 metres.

My reading of the situation is that Air

Auckland (aka Air New Zealand) doesn't want Wellington to have the capability to have long haul flights in and out. They are fighting hard against it because they'll lose their virtual monopoly position. Other airlines will start flying from here and competition will hurt Air Auckland.

Travellers from the Wellington region continue to have to fly via Auckland on their airline if they want to head further away than Australia or Fiji.

The powers that be should have lengthened the runway years ago. It would

have encouraged tourism, export capability, additional students studying here and of course reduced our travel costs when travelling to Asia, the Americas and to Europe.

Infratil, a terrific Kiwi company now owns about two thirds of Wellington Airport (WA) with Wellington City Council owning the rest.

WA estimates once the runway is extended (south into Cook Strait), it will service at least one additional long haul flight in and out per day probably initially from Asia.

Assuming there are at least 220 passengers arriving daily, half will be Kiwis coming back. That means 110 cash laden tourists.

We know from statistics how much each tourist spends. It's something like \$3,800 per visit per tourist. Apart from the region picking up a truckload of business (shops, hotels, restaurants, tourism destinations), it is estimated the Government will generate through GST and other taxes at least \$25

Chris Mackay Financial Planning

Investments – Insurance – KiwiSaver – Mortgages

Professional Financial Advice since 1976



CHRIS MACKAY
Managing Director
AFA, BCF, CLU, CFP®,
Fellow IFA, FNZFAA
Authorised Financial Adviser
Certified Financial Planner



IAN JORDAN
Contractor to Chris Mackay
Financial Planning
AFA, Dip FA, Cert PFS CertMAP
Authorised Financial Adviser
UK Pension Transfers



CHRIS CORNFORD
Contractor to Chris Mackay
Financial Planning
AFA
Authorised Financial Adviser



BLAIR BENNETT
Contractor to Chris Mackay
Financial Planning
AFA, MBS, Dip Bus & Admin,
Dip Banking, F Fin,
Authorised Financial Adviser

Level 5, MacKay House, 92 Queens Drive, Lower Hutt

570 2233

office@mackay.co.nz | www.mackay.co.nz

info@britishpensions.co.nz | www.britishpensions.co.nz | www.plus4.co.nz

Disclosure statements are available on request and free of charge.

LOOKING FOR A MORTGAGE?

If you're considering moving to a new home, consolidating debt, refinancing, carrying out home improvements or looking at investing in property, we can source and negotiate a deal to suit you. Please note this is a free service.

Our mortgage service is managed by

Blair Bennett

AFA, MBS, Dip. Bus & Admin,
Dip Banking, FFin.

Phone: 570 2233

**Chris Mackay
Financial Planning**

Investments - Insurance - KiwiSaver - Mortgages
Professional Financial Advice since 1976

Our disclosure statements are available on request and free of charge.

www.mackay.co.nz

5286550AW

million each year from that one planeload every day.

The airport itself reckons it will generate \$3m per year in additional revenue (airline charges, parking, food and coffee and other shopping).

The runway extension will cost \$300m (\$1m per metre). Infratil wants to put in \$50m in order to generate this \$3m a year in income. The region's councils have tentatively committed \$150m and the proposal is for the Government to kick in \$100m.

Most local MPs from all sides seem to be in favour of the Government contribution for obvious reasons but John and Bill are we are told, dragging the chain possibly being influenced by their buddies at Air Auckland.

NO BRAINER

To me it's a no brainer. Forgetting all the dough they are chucking elsewhere on projects where the economic benefits are not so obvious, getting a \$25m tax benefit on a \$100m investment is blimmen fantastic! That's a 25 per cent return!

C'mon esteemed leaders, don't let this be another Transmission Gully. It's time to do what's right for our region, not simply what's best for our Auckland cousins.

Lastly, a couple of thoughts post budget. Bill and John have axed the \$1,000 kickstart from new KiwiSavers – 2.5 million Kiwis have benefitted already but future ones will miss out. For new adults contributing, it

doesn't affect things too much in the scheme of things. But, it's a kick in the teeth for young kids. I'm just glad I signed up my new granddaughter last year.

And Comrade Little has waded into the NZ Superannuation debate suggesting that it be means tested. What an idiot. Doesn't he remember the political disaster that Jimmy Bolger embroiled himself in when he broke his promise that he would remove the Superannuation surcharge back in the 90s? It took Winston to come to the rescue of those thousands of hard working Kiwis who had saved hard and who still may have been working. They had paid their taxes and earned their NZ Super. Shame on Comrade Little for even contemplating such a policy. If you want a good read on how well communistic policies work, buy Ken Follett's book "Edge of Eternity". That will bring you back to reality.

These are generalised comments only and should not be taken as personalised advice. Disclosure Statements are available on request and free of charge.

Footnote: Infratil, a NZ company that invests in power companies, infrastructure firms and airports, was founded by a great Wellingtonian, Lloyd Morrison, CNZM back in 1994.

Lloyd Morrison along with pushing for a new flag for NZ (what a good idea) was also involved in the consortium to save the Wellington Phoenix.

In 2012, aged only 54, he died of acute myeloid leukaemia. He will be posthumously inducted into The NZ Business Hall of Fame in July.

Disclosure: Through my KiwiSaver scheme and other managed portfolios, I own shares in Infratil.



British Pension Transfers Ltd

YOUR UK PENSION NEEDS YOU

The Inland Revenue are changing the tax rules for UK Pensions.

If you have a Personal or Company UK Pension then you need to seek urgent advice if you want to reduce the risk of a large tax penalty.

Don't Delay; Talk to us now about transferring your UK Pension and you will be glad you did.

YOUR UK PENSION NEEDS YOU



Contact our Authorised Financial Adviser:

IAN JORDAN

AFA, DipFA, Cert PFS, CeMAP
IFA Member (Authorised U.K. Independent Financial Adviser)

www.britishpensions.co.nz
info@britishpensions.co.nz

0800 70 22 11

Part of Chris MacKay Financial Planning Limited group of companies. Our disclosure statements are available on request and free of charge.

NZ CHAMBERS OF COMMERCE

HUTT VALLEY

Business Vitality

2015 CALENDAR EVENTS NOT TO BE MISSED



2015

BUSINESS HALL OF FAME – 10 JULY 2015

Recognition of businesses that have made an outstanding contribution to the Wellington Region. Business Dinner tickets available on <http://www.hutt-chamber.org.nz/page/wellington-region-business-hall-of-fame-2015.aspx>



2015

BUSINESS EXPO 2015 – 22 SEPTEMBER 2015

An opportunity of showcasing your business to hundreds of potential business contacts across the Wellington Region. Package information, floor plan and booking form available on <http://www.hutt-chamber.org.nz/page/expo-2015.aspx>



2015

BUSINESS EXCELLENCE AWARDS – 7 NOVEMBER 2015

Hutt Valley Chamber of Commerce Business Excellence Awards are open to all businesses operating within the Wellington Region. Recognising and celebrating Business Excellence throughout the Region. This black tie event is not to be missed. Entry form available on <http://www.hutt-chamber.org.nz/page/hvcc-business-awards-2015.aspx>

The Hutt Valley Chamber of Commerce is absolutely the only business partner you need. The HVCC is here to help your business grow and prosper. Member benefits include:

- Networking events
- Discounts and Vouchers
- Business connections
- Room Hire
- Learning & Development seminars
- Marketing Opportunities
- Monthly newsletters
- Advocacy
- Partnership Opportunities
- Business Advice

Find out more call Anna on 939 9826 or email anna@hutt-chamber.org.nz