



# Mackay

## ON MONEY

### (AND OTHER THINGS)

BY AUTHORISED FINANCIAL ADVISER CHRIS MACKAY

*You know the elation you feel when you find 20 bucks in a pair of jeans you haven't worn for months. Well the other day, I found an old pommy traveller's cheque, in with an expired passport. It was for one hundred pounds. You beauty.*

Now, younger readers will wonder what I'm talking about, so I'll enlighten you. According to Wikipedia, traveller's cheques were generally used by people on vacation in foreign countries instead of cash. You could use them to pay a hotel or retailer or to get cash out from a bank. As long as the original signature (signed in ink as soon as you bought the cheque) and the signature

you signed at the time the cheque was used, were the same, the cheque's issuer would unconditionally guarantee the payment of the face amount even if the cheque was fraudulently issued, stolen or lost. This meant a traveller's cheque could never "bounce" unless the issuer [bank] went bankrupt or out of business.

The financial institution issuing the cheque would earn a fee when they sold

it. Then the bank earned interest for the period the cheques were not cashed while not paying any interest to the cheque holder.

Their use has been in decline since the 1990s when alternatives became the norm.

So – I must have had this UK denominated traveller's cheque for some time. As it happens, a family member was heading over to Old Blighty for a visit and I thought I would give her a 50 quid note to pay for a few coffees over there but would also hang onto the other 50 pounds for when I get over to the "motherland" once more.

Off to my Australian owned bank who had issued the cheque. A very helpful and mature teller, luckily not a millennial, closely examined this historic financial instrument front and back and advised the bank didn't honour these archaic, anachronistic but nevertheless still unconditional guarantees any more. They hadn't seen one for a very long time). I remained calm and reminded her in an even voice there must be a solution. Out the back she went and after a time she returned saying she had got clearance from someone higher up to allow me to cash it. And so they should have. They had sold it to me after all, and all I wanted was some paper money - a hundred quid – two fifties. Fair enough you would say. In the old days, if I had gone into a bank, that's what they would have given me.

Well, this is what happened. They couldn't simply give me a hundred pounds of folding stuff in return for what is really a bank cheque. I had to deposit the traveller's cheque into my bank account. The exchange rate they gave me was 0.5027 giving me NZ \$198.92 which then had a \$15 fee deducted

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leaving a deposit of \$183.92. I then asked for two 50 pound notes please which I would buy using the same account. The exchange rate on this deal 90 seconds later was 0.4801 meaning I needed to pay NZ\$208.29. They graciously charged no commission because I am the possessor of some flash credit card. Otherwise it would have been another few bucks I presume.

Anyway, the bottom line is it cost me \$24.37 to get two 50 pound notes from my hundred pound traveller's cheque. Almost 12 per cent buy sell difference. Plus the bank made a buck at the start and has had my money and the interest thereon for possibly 20 years. At a modest 3.5 per cent a year, that would be almost another hundred quid. Call it an extra \$200 profit for those fine and honourable Aussie bankers for doing nothing! Nice work if you can get it eh?

For your interest (excuse the pun), I'm going to stash that remaining 50 pound note in an old pair of jeans and sometime over the next 12 months I'll have forgotten about it, then rediscover it and feel like it's Christmas all over again.

I don't blame the local bank people, but I don't feel the love for their Aussie masters.

This *Sydney Morning Herald* editorial was in the *Dom Post* on October 2, 2018. "The global financial crisis hit Australia 10 years ago but it is crucial to remember it in thinking about the bad behaviour in the financial services sector that former High Court judge Kenneth Hayne has covered in his interim report.

Hayne's royal commission has exposed the industry's greed and lack of concern for its clients' best interests. Clearly the culture at the top of financial services companies is unhealthy. Bankers are paid based on how much business they write. That gives them an incentive to lend more than their clients can afford or sell products not because they make sense but because they pay the most in kickbacks."

Here's another article from the *Dom Post* on the same day from the Telegraph Group.

"Butler's ordeal was one of numerous cases of mistreatment by Australian finance firms that grabbed headlines and ultimately forced the government to launch a royal commission into misconduct in finance last year.

No one could have predicted the extent of wrongdoing it would uncover.

In a stinging interim report published last Friday, the commission said it found a rampant culture of greed and bad behaviour. Among the misdeeds were A\$1 billion of fees charged for no service, systemic mis-selling

of financial advice, insurance premiums taken from dead customers and firms lying to regulators.

Companies preyed on the vulnerable, with services mis-sold to indigenous farmers with limited financial literacy and life insurance companies spying on mentally ill policyholders.

Retired high court judge Kenneth Hayne, who led the inquiry, said firms had too often been motivated by "the pursuit of short-term profit at the – expense of basic standards of honesty".

"Today is a day of shame for Australia's banks," Anna Bligh, chief executive of the Australian Banking Association, admitted. There is already talk among politicians of breaking up Australia's banking industry – dominated by the big four players, National Australia Bank, Commonwealth Bank, ANZ and Westpac."

[The Phoenix fans have known these things forever. One of their popular chants at the Stadium is "Same old Aussies – always cheating"!]

As I write this article, ANZ NZ has just announced a NZ\$1.99 billion profit. Westpac's was NZ\$936 million and BNZ's was NZ\$1.029 billion.

Not bad eh? After tax, most of that dough will end up back over the Tasman.

Let's wind back the clock to the 1860s but still across the ditch. Here's the rest of Chapter 4 from Dr Ron Vlietstra's book "Dutchman's Gold". For those regular

readers, you'll recall Ron rediscovered the published journal in Dutch of Johannes Vlietstra, the boss' great grandfather, and had it translated into English. It chronicles his adventures in Australia over 150 years ago before he saw the light and eventually ended up here – in God's own country.

#### CHAPTER 4 CONTINUED. Leaving for the goldfields, my stay there and my journey home. (Mid 1860s)

I stayed in the goldfields for six weeks and took part in the digging for a fortnight only. The gold I had dug up was not worth mentioning, but because I dug it up myself I saved two pieces for my mother.

While there I fell seriously ill, and had such a high fever that my head sometimes felt as if I was standing on it. Every now and again people would come to look after me, but they were more interested in my provisions than being concerned about me. Even though I noticed, I felt too ill to do anything about it. When I felt a little better I decided to leave, knowing that might not keep me from dying, but at the same time realizing that I should not foolishly subject myself to danger. I sold all my horses, except one; the remaining flour I sold for a dollar a pound, and my 'negrid' tobacco, this being the kind they smoke there, for eighteen guilders.

To feel safer on my return journey I armed myself with a compass and a good

*Continued on page 6...*

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...continued from page 5

travelling chart. I planned to return to the same farmer. The journey to the goldfields took four months, the return journey one and a half. Being in possession of a compass and a travelling chart I could travel along confidently, from one farm to another.

When I felt feverish I stayed put on a farm. Once, on a Friday, I had to stay out in the open air and brave it out. I was so ill that I just had to stay in one place for the whole day. The next day I continued my journey and even knowing that I was moving back into lower regions, I didn't think there would be as much water as there was. It made me wish I hadn't left the higher regions so soon. I decided to walk along beside my horse, the soil being very soggy, in order to give the faithful animal a fairer chance. For three-quarters of the day I walked through water up to my arms. In the evening I arrived at a small river, but on trying to wade through, I started to shake from fatigue, like leaves on a tree. So again I had to spend the night outdoors in that deserted countryside.

The following morning I spotted the servant of my former master on the other side of the river. When he saw me he called out that I should cross the river to be safe. He didn't recognise me before I talked to him, so much had the disease worn me out.

I told him about my unfortunate journey to the goldfields, about my loss and my illness. He helped me cross the river and accompanied me to my former master. I informed him that it was my intention to stay with them for about a fortnight. When we reached the farm, the head farmer himself came forward. I told him a little about my journey as well and asked him what I owed him if I were to stay with them

for a fortnight. He said, "Paying me? Oh, no, nothing of the kind, you can stay with me, even if it is for six weeks and if you prefer to take on your old job again, your wages will commence as from now.

Having lost a lot of my resources, I decided to do the latter and thus was employed as a cook once more. But despite the difficult journey I had had, the fever left me. I did my job with pleasure again and if there was anything else to do which could earn me more money, I did it. This occurred mostly at the time of lambing and during sheep shearing, when I would sometimes earn up to seventy-two guilders a week. When I was busy doing other work the farmer himself took care of preparing the meals.

Pride is something they don't know there, for this man owned two farms; he lived on the one, which had a stock of sixty thousand sheep and more than nine hundred cows, and the other one had forty thousand sheep. The farm was situated so far away inland that the ox-wagons leaving with wool and returning with provisions needed nine months for the trip. There are places where they need eighteen months for a trip like that, if they suffer any misfortune. Usually they leave with ten wagons at a time, each wagon being drawn by twenty-three to twenty-four oxen. There are no women living there, because they soon die, partly from the heat, partly from fear of the savages. Males quite often die too, from the heat, and many a time the oxen drop dead in front of the wagons. The farmers, being unmarried, sometimes go into town for a bit of fun, for periods of nine to twelve months, when it's possible. This habit must make up for a lot, otherwise I find it hard to understand why people, worth a considerable capital, stay put in these dangerous regions.

I became acquainted with someone whom I was very fond of for his honest personality. I felt a strong bond between us. Whether this was because he was a doctor's son, like me, I do not know. His name was Gliezen. One

day he arrived all set for a journey. I asked him where the journey led.

"I am going to town for five to six months", he answered, "And have come to spend the night here," Next morning he left on horseback, as was the custom in Queensland.

After six weeks he returned. I told him my surprise about his speedy return and he told me that on his journey he had come across a quiet bar, where they cheated him out of his money and almost poisoned him. He returned here hoping for a speedy recovery.

Because I was the one to be home alone most of the time I would have to take care of him. When we sat down for our evening meal, there were three of us. He did not join us for the meal and when asked why, he told us he had no appetite.

He talked reasonably, and kept level-headed, although there was a wild look in his eyes. We went to bed.

During the night I heard him call out a couple of times and finally decided to take a look at him. I asked him why he had called. He replied that there were people trying to kill him all the time and when he called for help they would go away. I said that if it was so easy to chase them away by calling for help, he would be all right and should try to get some sleep. Having wished him goodnight I went back to bed.

The next day his condition had deteriorated to such an extent that we had to watch over him. He would walk to a cupboard the one moment, then to one of the corners of the room the next and even though nobody was to be seen, he kept on calling out, "Don't you see these bad guys, get them out, or do you want them to kill me." In short, he carried on so badly that we had to lock him up. This was somewhat difficult since the house was made of bark. He would break loose constantly, looking for my guns and pistols, but anticipating this danger I had hidden these and his search remained in vain. Another person was going to watch over him that night. So I went to bed, but found little sleep.

I heard him come close to me, I was lying on my bed or rather, my piece of bark, about three foot from the floor and felt him searching around my head, in the hope of finding the pistols, but he was mistaken. He lifted me into the air with bed and all. I said, "Is that you, Gliezen, what do you want?" "Oh, is it you, Vlietstra?" he replied, "It is nothing, I didn't know what I was doing." When his guard had fallen asleep towards dawn, he quietly walked away undressed.

When I got up it was my first duty to look after him, but he was nowhere to be found.

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*"I stayed in the goldfields for six weeks and took part in the digging for a fortnight only."*

In the belief he might have taken his life, we looked into the waterhole and many other places, but were unable to find any trace of him anywhere. We decided to have breakfast first and then search for him on horseback. As we were still sitting at the table he walked towards us.

“Gliesen”, we asked, “Where have you been?” “Oh”, he said, “Hang, I must hang! I have appeared before the Great Council; it was over there in the woods, my verdict will be pronounced at three o’clock.” We begged him to have breakfast, but he could not eat. We tried to calm him, saying, “We shall see what we can do.”

But he cried, “No amount of talking will help, I must hang!” I went with him into the woods, where he was going to show me the place where the Council had been sitting. When we had only just entered the woods he called out, “Here it is.”

When I asked where the gentlemen had been sitting, he said, “Don’t you see the chairs, they will return at three.” These were stumps of trees hewn down. I arranged to go back home and get help to chase the gentlemen away and so got him to come with me.

When we arrived back home, I told them what had happened. “Well”, said the boss, “We must try to cure him. He has had bad drinks in that bar. I have a feeling the best thing to do is to give him a pint of bitter.” Not having this in the house, I was told to fetch it. To hurry up I went on horseback, and returned with it within four days. In the meantime Gliesen had been peacefully asleep for the third time. When he woke up I noticed he looked a lot better already. I asked him how he was. “How am I, I must hang!” he said. I tried all I could to change

his mind and said, “That isn’t true, you have been intoxicated with bad drinks, take some of this, I have fetched it for you.” He took some and slowly started calming down. I made him a cup of chocolate; he liked it so much that he asked for another one, saying, “It is very good for me, it soothes me inside.” He begged me not to tell anyone about his condition, since he was ashamed of it. It was our pleasure to see him depart fully recovered.

*“I asked him why he had called. He replied that there were people trying to kill him all the time and when he called for help they would go away. I said that if it was so easy to chase them away by calling for help, he would be all right and should try to get some sleep.”*

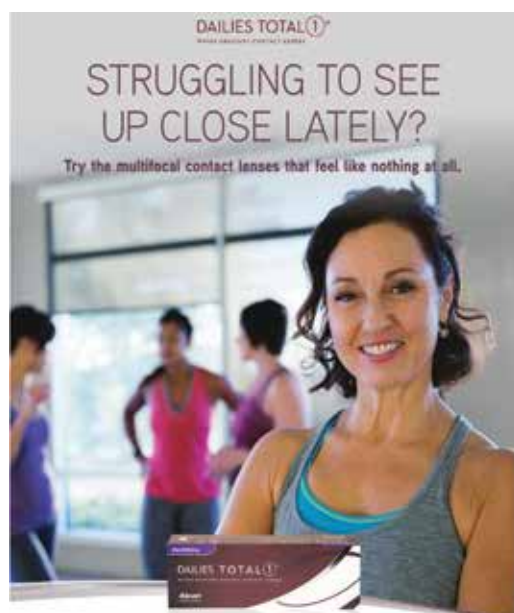
I had everything I could wish for, but not hearing anything from my relatives, my longing to return to my native country became irresistible and so I decided to leave Australia. But the reader will find my return journey in the next chapter.

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