

Mackay ON MONEY

BY AUTHORISED FINANCIAL ADVISER CHRIS MACKAY



I've been enjoying watching replays of that wonderful try Jonah scored at the 1995 Rugby World Cup in South Africa. You know the one. Where Jonah crashes over Mike Catt. He scored four tries against England that day. He was magnificent. In 1995 and 1999, he scored 15 tries, and still holds the record for the most tries at World Cups. He is the youngest player to appear in a World Cup Final aged 20 years and 43 days at the 1999 South African tournament.

In 1995 Lomu was diagnosed with Nephrotic Syndrome, a serious kidney disorder. Wikipedia notes in "May 2003, the NZRFU announced Lomu had been put on dialysis three times a week due to deterioration in his kidney function. Side effects of Lomu's dialysis treatment lead to severe nerve damage in his feet and legs; his doctors warned him he faced life in a wheelchair if a kidney transplant was not performed soon.

At the end of July 2004 it was reported Lomu "had undergone a kidney transplant in Auckland. The kidney was donated by Wellington radio presenter Grant Kareama".

You would have to say Grant Kareama is a wonderful Kiwi hero for providing such a gift.

But the other day I read Jonah is back on dialysis and he needs another new kidney.

There are a number of transplant operations done in New Zealand every year. You should have a look at the website www.donor.co.nz This chart [above right] showing how many transplant operations are done each year is from it. Over 200 transplants are done every year.

NUMBER OF TRANSPLANT OPERATIONS IN NEW ZEALAND

ORGANS TRANSPLANTED	2010	2011	2012	2013	2014
Hearts	11	11	12	9	17
Lungs	9	10	12	19	17
Livers (deceased donors)	35	36	29	31	38
Livers (living donors)	6	8	3	3	5
Pancreas	3	3	2	1	2
Kidneys (deceased donors)	50	61	54	55	67
Kidneys (living donors)	60	57	54	58	72

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Disclosure statements are available on request and free of charge.

The first organ to be transplanted in New Zealand was the kidney in the mid 1960s and heart valve transplantation also commenced around that time.

Bone was first transplanted in the early 1980s and the first heart transplant occurred at Greenlane Hospital, Auckland, in 1987.

The 1990s saw the commencement of skin transplantation in 1991, lung transplantation in 1993 and liver and pancreas transplantation in 1998.

In a previous article I wrote about my good mate Alan Power, a legend in the insurance profession and the recipient of a new heart in 2003. Alan has represented New Zealand at the World Transplant Games on a number of occasions and has won five Gold and Silvers proudly representing his country.

According to the Organ Donation New Zealand website, more than 550 New Zealanders are waiting for an organ transplant and approximately 450 of them are waiting for a kidney transplant. Those waiting for a kidney transplant lead lives restricted by long term dialysis treatment.

Probably because of Alan Power, I've always been very interested in this whole topic and my interest was piqued the other day when I was speaking to a client who told me the Wellington DHB is actively trying to encourage donations of kidneys from live donors.

At the same time I heard about this, I learned our own local List MP Chris Bishop, is promoting a new Bill in Parliament, the Financial Assistance for Live Organ Donors Bill.

The Bill aims to increase the financial assistance provided to live organ donors from the equivalent of the Sickness Benefit to the same formula applied to Income Support for ACC recipients (the equivalent of 80 per cent of the donor's pre-operation earnings).

Chris says "the purpose of this Bill is to ameliorate the financial hardship faced by organ donors who can spend many weeks recovering from their procedures. It will help put an end to the stories we hear of altruistic New Zealanders like Elsie Howarth who donated an organ to her father but struggled financially during her recovery due to lost wages.

If the Bill passes into law, kind-hearted New Zealanders will no longer be effectively penalised for their altruism even though their actions save lives and significantly improve the life expectancy of others.

This Bill is a small but important and helpful step to increasing the number of people who donate organs. New Zealand has low organ donation rates by

international standards, and it's important they increase.

From a financial point of view, it makes perfect sense. The cost of providing dialysis to sufferers of kidney disease is enormous plus the loss of those good Kiwis' productivity is immense. The latest Ministry of Health figures put the cost to the New Zealand health care system, of dialysis for an individual as high as \$60,000 a year. So paying for 80 per cent of a couple of months' lost wages is peanuts in the big picture. They should really pay 100 per cent plus any additional medical expenses.

On a pure cost benefit analysis, it's a complete no-brainer.

I can see one of the issues is going to be who pays the lost wages however. I assume if the Bill is passed, the cost will be borne by the Social Welfare budget, whereas there is an argument the Health budget should pay for it because they will be saving money on the dialysis front.

Maybe it should come out of both budgets.

I sincerely hope MPs have the good sense to support this new Bill.

One thing Kiwis can do if they aren't keen to be a live donor is to note on their NZ driver licence they are happy to be a (dead?) donor and to let their family know too.

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According to the website, very few medical conditions will prevent a person from being able to donate. For example, a person with severe asthma may not be able to donate lungs for transplantation but may be able to donate heart, liver, kidneys and eyes.

Here are the age limits, which surprised me.

	Organ donation age limits		Tissue Donations age limits
Kidneys	All Ages	Eye Tissue	Up to age 85
Liver	All Ages	Heart Valves	Up to age 60
Heart	Up to Age 65	Skin	All Ages
Pancreas	Up to age 45	Lungs	Up to age 70

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Top RATING for Council's FISCAL MANAGEMENT

BY LOWER HUTT DEPUTY MAYOR DAVID BASSETT

It's always rewarding when you're recognised for a job well done, especially when it comes from an internationally renowned organisation such as Standard & Poor's.

Hutt City Council recently retained its AA long-term rating and A1 short-term issuer credit rating from Standard & Poor's, the highest issued to any council in New Zealand.

This is a fantastic achievement and testament to the strong fiscal management Council continues to demonstrate.

Some of the standout comments from Standard & Poor's include:

- "Hutt's (Hutt City Council's) key credit strength is anchored in its very strong financial management. The Council has an experienced management team that implements policies effectively."
- "Revenue and expenditure management is very strong with minimal revisions of operating budgets throughout the year."
- "Hutt's budgetary performance is strong. Through continued efficiencies and productivity, the Council has controlled operating expenditures."

Council's excellent financial performance has allowed us to embark on a programme of revitalisation for our city.

Some of these projects include the Walter Nash Centre, new multi-purpose events centre and refurbished Town Hall, significant upgrades and developments to Avalon Park, major enhancements to Fraser Park and the addition of a new 25-metre swimming pool to provide additional learn to swim and hydrotherapy facilities at Huia Pool.

We've committed to these projects to grow and rejuvenate our city because we recognise to make our city an even better

place to live work and play we must invest.

While debt has been increased to allow us to invest in this way, our recent Long Term Plan shows net debt will not exceed \$125 million in 2020 and 2025. Over the same period, Council's operating revenue is predicated to rise from \$150 million to \$194 million, all while limiting rates increases to inflation, and our assets are forecast to increase in value from \$1.4 billion to more than \$1.8 billion by 2025.

And, of course, Council supports others' investment in the city by incentivising private development and business growth. For example if you're planning a development anywhere in the city, you may qualify for remission of rates or development fees charged by Council.

Latest consent figures show increases in the value of building consent by 25 per cent on last year and 73 per cent on 2012.

An example of the optimism private developers share with Council for our city is the exciting new \$10 million retail development in Petone, recently launched by the Prime Minister John Key.

With 115 hectares of industrial-commercial zoned land – the largest concentration in the Wellington region, there really is no better time to do business in the city and Council is committed to making it easy.

This really is an exciting time for our city.

If you've got a question for me I'd like to hear from you.

Contact me on
021 135 9391 or
email david.bassett@huttcity.govt.nz

*David Bassett JP
Deputy Mayor – Lower Hutt*

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At the same time as all this is going on, there is another Bill before the Parliament called the Affordable Healthcare Bill.

The Bill aims to reduce the burden on the public health system. It proposes changes that will help more people gain (and maintain) access to private healthcare, including those aged 65 and over, employers, employees and migrants who are parents of New Zealand residents.

What does the Bill propose?

1. That the Government provides people over 65 with a 25 per cent health insurance premium rebate, up to the value of \$500 a year.
2. That fringe benefit tax (FBT) is removed from health insurance to incentivise employers to include it in a salary package.
3. That parent category migrants are required to have health insurance when they arrive in New Zealand, and maintain it for 10 years.

My belief is if we can encourage more companies to provide Medical insurance for their staff without the burden of FBT, productivity will increase as employees who need an operation which is stopping them working 100 per cent can "jump the queue" and have it done.

Likewise superannuitants who start needing replacement knees and hips and shoulders will retain their policies and take the load off the public system.

Lastly it means new migrants won't be a burden on the struggling public health system.

Another no-brainer that hopefully the Government will support.

Send an email to jonathan.coleman@parliament.govt.nz if you support this Bill.

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

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