

“Kiwi’s Ignorant about New Zealand’s Retirement Pension Scheme”

A new survey published on 13 October 2014 by One News, shows many New Zealanders don’t know basic information about the pension scheme. The research was conducted for the Commission for Financial Literacy and Retirement Income as New Zealand faces a burgeoning retirement population. It currently isn’t income or asset tested. The commission says the reason Kiwi’s don’t know the specifics is because they’re not thinking about their retirement until it’s too late. It currently costs the Government \$9.3 Billion each year but within 26 years that figure is expected to balloon to \$40.95 Billion. “For young people today, there will be super I believe, but the amount they have to put in themselves may have increased”, Ms Maxwell says.

Is the pension enough for the everyday Kiwi to live on?

Retirement is something most people do not think about or plan for until it is too late and they are forced to retire in a much lesser lifestyle than they were once used to. We have made a quick budget to try and figure out how you would try and survive on the pension alone. As you can see it doesn’t look possible...I don’t know how anybody does it?

Pension Rate per Person (weekly)

Single	\$366.94
Couple	\$282.26 each

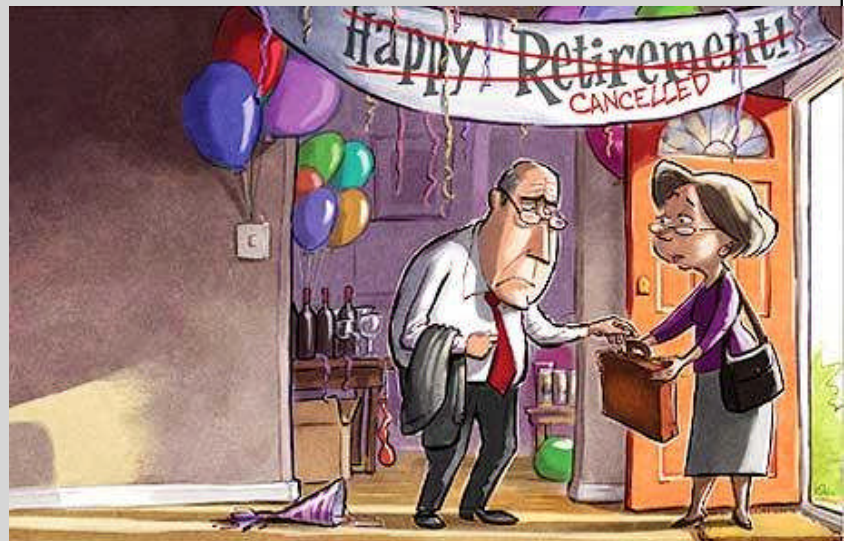
Average Budget – Couple

Power	\$50
Rates	\$32
2 x Vehicles (Ins, Reg, WOF, Servicing)	\$58
Minor Household Repairs	\$15
Groceries	\$180
Petrol	\$80
Phones/Internet	\$22
House and Contents Insurance	\$38

Total Spending \$465

Weekly Pension Income (couple) \$564.52

Surplus \$39.76 each



Is this enough to pay for...

Dentures | Holidays/Travel | Medical Prescriptions | Medical Insurance | Vehicle Replacement and/or Major Repairs | Glasses | Books | Tools | Pets | Hearing Aids | Hobbies | Cosmetics | Shoes | Campervan Maintenance | Boat Maintenance | Entertainment | Batch Maintenance | Eating Out | Dry Cleaning | Gardening Supplies | Doctors Visits | Clothes | Hairdressing | Newspaper and Magazines | Gifts for Grandchildren | Alcohol | Sky TV | Club Memberships |

A retired dairy farmer and son of a war hero had lost much of what he had when his first marriage ended. While his new wife was previously married to a gambler, whose losses chewed up the bulk of her equity. She’s now too ill with arthritis to work and if she did, she’d lose some of her support. Cindy had estimated that their power had been cut off five times in the last five years due to unpaid bills. Their income is quickly chewed up by mortgage repayments, petrol, power bills, debt owing on their oven and general everyday expenses, leaving a fortnightly deficit of \$32.84. Cindy tells the reporter for Stuff that “I have so many times struggled with the concept of suicide; there is no hope and no option for improvement and no future to look for”. What sort of retirement is that? Would you like to live a life of retirement like this couple? Scary truth is, most retired Kiwi’s are destined to live this as they have not planned for their retirement and leave it too late for them to do anything about it.

Update on Rosewood

Great News! For those of you who were quick enough to get into Rosewood.

Remember when you purchased the main thing holding Rosewood back from future development was the construction of a new sewage system for the town to allow future expansion. The media's money was on Walloon however we were certain Rosewood was a better investment bet. We are pleased to announce, as we predicted, that 5 years later it's Rosewood, not Walloon that's getting the brand new sewage system. It's currently under construction and will allow for the future expansion of Rosewood! The current population for the region is 5,500 and the latest figures from the Ipswich City Council show a new target of 53,000. We took the pictures below on one of our trips to show you not only is the region getting it's new sewage scheme, but you can also see \$3.2 billion of further development headed this way. Can anyone imagine what this area is going to look like in 10 years time???



New Zealand Interest Rate Update

Are New Zealand's fixed rates trending down?

Only a few months ago 5 years rates looked to be threatening 8% however although most banks are now advertising this rate between 6.49% to 6.99% we have been successful over the last few days negotiating this 5 year rate down as low as 6.09%. We have been just as successful with the 3 year rate getting under 6%. In some cases where we have had clients fixed a little higher we have been able to get their loans broken (break charges free) to be able to refix them again at these lower rates.



Cooking Corner - Cappuccino Pavlova

Ingredients:

250 grams caster sugar	1 pinch of salt
4 large egg whites	1 teaspoon cocoa powder
2 teaspoons corn flour	1 teaspoon white wine vinegar
300 ml double cream	4 teaspoons instant espresso powder (not instant coffee granules)

Method:

1. Preheat the oven to 180°C/gas mark 4/350°F. Line a flat oven sheet with baking parchment and, using a 23cm/9inch cake tin, draw a circle on it.
2. Mix the sugar with the instant espresso powder in a small bowl and set aside.
3. In a clean, grease-free metal bowl whisk the egg whites and salt until they are holding soft peaks. Keep whisking while you add the sugar coffee mixture a tablespoon at a time.
4. When you have a firm, beige-coloured meringue, fold in the cornflour and vinegar using a grease-free metal spoon.
5. Dollop the meringue mixture inside the drawn circle. Smooth and shape it with a spatula so that it looks rather like the crown of a boater: it must be flat on top.
6. Put it in the oven and immediately turn down to 150°C/gas mark 3/300°F and cook for an hour. Switch off the oven and leave inside until cool.
7. Once the base is cool, lift it carefully in its paper and place it top-side down on a flat plate and peel off the paper.
8. Whip the double cream until thick but soft and spread delicately over the top of the meringue. With a teaspoon, push the cocoa through a fine sieve or tea strainer to decorate the top, cappuccino-style.



Australian Property Update

Brisbane in particular is showing strong sales figures for this time of year, according to data compiled by the Real Estate Institute of Queensland (REIQ). "Traditionally this is one of Brisbane's quieter selling periods, but there has been a reversal of this trend over the last two years, as buyers grow more confident," says Antonia Mercorella, REIQ Acting CEO. Brisbane is also experiencing solid price growth, with house prices up by 6.8% according to the RP Data-Rismark Daily Home Value Index. "Despite this growth, Brisbane has a very significant affordability edge over Sydney, Melbourne and Perth, where median prices remain much higher. Sydney's median asking price for detached houses topped \$1 million this month for the first time as sellers raised expectations in a booming market. "With interest rates still at record lows, the outlook for Brisbane real estate is very positive and buyers can expect the market to continue performing strongly," says Mercorella.

Now is the time to buy in Queensland, with the state market strongly favouring buyers over sellers according to new data!

The quarterly Home Buyers Index by RP Data and Commonwealth Bank have labelled Queensland an "extreme buyer's market", with listings outnumbering the banks home loan approvals. Lyn Cobley, Commonwealth Bank executive general manager said, a buyers market meant purchasers had the upper hand and may be able to negotiate harder in property sales. "Queensland has been favourable to buyers for the past 12 months", she said. "Certainly in the quarter ending August 2014, the ratio of properties for the sale versus home loans being funded has actually swung even further in favour of buyers. In the capital cities, they are typically more balanced (markets) in favour of the seller which reflects the very big difference in metropolitan versus regional markets. On a whole the regional markets, especially those in coastal area, actually offer the best opportunity for buyers." The Wide Bay-Burnett region, including Bundaberg, Hervey Bay, Gympie and Maryborough was ranked the best buyers market in Australia.

Backing this positive attitude in a latest report, BIS Shrapnel forecasts for the Brisbane region is up to 17% price growth over 2015 to 2017. Matusik Property Insights, in their latest report are saying possibly up to 20% over the next 2 or 3 years, for the Brisbane region. While John McGrath of the McGrath Group, with more than \$10 billion in residential sales during the last Australian financial year is boldly predicting 50% growth over the same period. We think he may be a wee way out here and tend to agree with Matusik and BIS Shrapnel's far more conservative estimations. Either way all predictions for Queensland property seem to be pointing in the right direction. This year most of us seem to be seeing some awesome and long awaited rent increases. If any of you haven't seen any rent increases over the last year, then you should certainly contact us for a rental review so we can check your property managers are keeping your property returns up to date.

The National Australian Bank third quarter Residential Property Survey, out on the 16th of October 2014, found Queensland had overtaken Victoria as "the strongest state". NAB chief economist Alan Oster said the state was "doing wonderfully well, and is warmer than anywhere else". "Capital growth prospects over the next 12 months improved for houses at all price points below \$1 million, with prospects assessed as "god" in all price brackets" NAB said of Queensland. The Block Auctioneer and Ray White New Farm principal Haesley Cush said in the last four months Queensland had begun to tick all the boxes across multiple segments – something that could make it hot for television. He goes further to say "The bank's got it right, when you look at capital gains that are on offer, current interest rates and rate of return, you can see a positive gain". "We're certainly seeing interstate and international buyers looking at the Queensland market and seeing its value". Mr Cush said major events scheduled in the state, including Novembers G20 and the upcoming Commonwealth Games on the Gold Coast would only lift its profile at home and abroad. Building activity data for the June quarter saw \$2.4 billion worth of private sector residential work done across Queensland – a 14 percent jump on not just the March quarter but the same period last year.

Australian Interest Rate Update

Australian interest rates continue at record lows with mixed predictions coming from various economists as to whether they will go up or down next year. The most common trend and my own opinion is they will be in no hurry to return to their normal levels of around 6% over the next couple of years. Currently we can get 5 years at 4.99% and 3 years at 4.94%. During their annual reviews, we have discovered a few clients lately thinking they are on fixed rates in Australia when they are actually floating. As always, if this sounds like you please contact our office for an appointment regardless of whether you are due for an annual review or not. It is a good idea to check your current rates to ensure this hasn't happened to you as if you are looking to hold the property for some time remember we are at record low interest rates in Australia.

Turn that frown upside down!



A blonde, a redhead, and a brunette were all lost in the desert. They found a lamp and rubbed it. A genie popped out and granted them each one wish. The redhead wished to be back home. Poof! She was back home. The brunette wished to be at home with her family. Poof! She was back home with her family. The blonde said, "Awwwww, I wish my friends were here."

Sarah cleans up the New Zealand Rally Championship second year running!



In September I competed in my last rally for the season for the New Zealand Rally Championship so before I write further, I thought I would point out that I co drive in rally cars in my spare time (and a little in work time). I sit beside my friend Hamish Anderson who is also based in Christchurch and we compete in the Open 2wd class in a 1995 Toyota Levin. The Day Breaker Rally kicked off at 4am (hence the name) where we endured 12 hours of constant rallying amongst the Palmerston North/ Levin area with 11 stages to rally. As this was our final round in the NZRC we successfully defended our Open two wheel drive rally championship title for the second year running. Reclaiming the national title again has been the season long focus and the Anderson rally team is delighted to have secured that. At the beginning of the season we were off to a winning start in the early rounds and capitalised on an early points haul to retain the championship. At the Day breaker Rally we had to concentrate on not getting caught up in other class battles and taking our eyes off the main prize which was our main goal for this year to win the New Zealand title. Everything went according to plan. The service guys who worked so hard on the car between stages made it easier for us. We had no car issues all year; we finished every rally that we entered and that's a great testament to the guys who prepare our car. You can't aim for much more than a hundred-percent finish record and a rally title! New Zealand championship rallies provide drivers with detailed road information (safety notes) of the route in advance, which the drivers with the help of their co drivers, can then check during an organised reconnaissance run before the event starts. During the reconnaissance the drivers are able to make their own adjustments to those notes before driving the closed-off roads at high-speed during competition. Even though we have reconnaissance that does not mean we can drive perfectly. The final event was almost without incident although Hamish admits he misheard a safety note and had one 'awkward' situation! As I reflect on this, the Day Breaker Rally was the most intense rally physically and mentally on the body as normal rallies only last 7-8 hours. However as hard as it was to compete it was the best rally I had completed and with the open 2 wheel drive win under my belt, yet again.

HENRY FORD (1863-1947)

WHEN EVERYTHING SEEMS TO BE GOING AGAINST YOU, REMEMBER THAT THE AIRPLANE TAKES OFF AGAINST THE WIND, NOT WITH IT.

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Internet Banking Security

If you use internet banking and let's face it most of us do now, you need to be aware of your banks terms and conditions surrounding it's use. This does vary from bank to bank however as a worst case scenario many banks will hold you totally liable for any losses from your accounts if you do not have your computer operating system and virus checking system updates, totally up to date. Computer piracy has been in the news a lot lately with everything from emails to personal pictures of thousands of people illegally stolen. Make sure you don't become a statistic and ensure your computer security and operating system is up to date.



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A disclosure statement for Mark Uden is available on request and free of charge