

# **Whakatane District**

## ***Greypower Association Inc.***

### ***Welcome to our February, 2016 News***

President:	Betty Hudson	07 308 5210	027 235 0459	<a href="mailto:betty.keepea@xtra.co.nz">betty.keepea@xtra.co.nz</a>
Secretary:	Susan Anderson		021 116 9115	<a href="mailto:susananderson46@gmail.com">susananderson46@gmail.com</a>
Treasurer:	Brian Newton	07 307 7410	022 095 2862	<a href="mailto:whakatanegreypower@gmail.com">whakatanegreypower@gmail.com</a>

### ***Next Meeting – March 22, 2016:***

Our next General meeting will be held at 1.30 pm on Tuesday, March 22, at the Knox Presbyterian Church Hall, 83 Domain Road Whakatane. Our guest speaker for this meeting will be Nandor Tanczos, candidate for Whakatane District Council at the next election; Nandor was a member of the New Zealand parliament from 1999 until 2008.

### **Grey Power – The Facts!**

Grey Power is an entirely voluntary organization; we are not government funded, nor are we aligned to any political party. This means that Grey Power can lobby parliament on any issue that is of concern to our membership. There are nominally 80,000.00 Grey Power members across New Zealand – making us a considerably powerful lobbying group.

### **Web Site:**

We apologise to our on-line members for the delay in the launch of our website, we have had a few set up and teething issues to date; however, we're pleased to announce it is now operational. It is our intention to post items of interest from our Federation, topics of both National and Local interest, back issues of our

newsletters together with other useful information we see as relevant and pertinent to you, the members of our Association.

The site has been set up to allow new members to join via the site and Memberships to be renewed, giving full details of payment options etc.

The site will be maintained by members of the committee; principally Kate Ross, along with Susan Anderson and Brian Newton.

Whilst the site is now operational, it is still somewhat bare! Accordingly, items will be added to the various areas over the coming weeks, once those of us maintaining it are fully up to speed.

Site address:

<http://www.greypowerwhakatane.org.nz>

## Dementia?

For those few members who attended our November meeting and saw Cara Addison from Alzheimer's New Zealand, I am sure you will agree with us when we say it was an excellent and highly informative presentation. With that in mind, here is something which we're sure will be of interest to you, and perhaps also to those who didn't consider it worthwhile attending. The text below has been around for some years now, have a look, if you are able to read it, especially out loud, any form of dementia is probably a very distant threat, if one at all. We feel the majority of you will be able to read these texts, yes it does seem impossible at first glance; but once you get started and into it, you'll see just how amazing the human brain actually is!

*Here's a trick from Doctor Dementia to test your skills...*

### *Can you meet this challenge?*

This has been around for some time now, with the letters out of order, but this is the first time we've seen it with numbers and letters mixed. A very good example of a Brain Study: If you can read this OUT LOUD you have a strong mind. And better than that: Alzheimer's is a long, long way down the road before it ever gets anywhere near you.

7H15 M3554G3 53RV35 7O PR0V3 H0W 0UR M1ND5 C4N  
D0 4M4Z1NG 7H1NG5! 1MPR3551V3 7H1NG5!  
1N 7H3 B3G1NN1NG 17 WA5 H4RD BU7  
NOW, ON 7H15 LIN3 YOUR M1ND 1S R34D1NG 17  
4U70M471C4LLY W17H 0U7 3V3N 7H1NK1NG 4B0U7 17,  
B3 PROUD! ONLY C3R741N P30PL3 C4N R3AD 7H15.  
PL3453 F0RW4RD 1F U C4N R34D 7H15.

If you can read the text below, you have a strange mind, too.  
Can you read this? Only 55% of people can, are you one of them???

I cdnuolt blveiee that I cluod aulacilty uesdnatnrd what I was rdanieg.  
The phaonmneal pweor of the hmuan mnid, aoccdrnig to a  
rscheearch at Cmabrigde Uinervtisy, it dseno't mtaetr in what oerdr  
the ltteres in a word are, the olny iproamtnt tihng is that the frsit and  
last ltteer be in the rghit pclae. The rset can be a taotl mses and you  
can still raed it whotuit a pboerlm. This is bcuseaethe huamn mnid  
deos not raed ervey lteter by istlef, but the word as a wlohe.  
Azanmig huh? Yaeh and I awlyas tghuhot slpeling was ipmorantt!

So how did you do? It normally takes a few minutes to allow your brain to assess, comprehend and understand the text, we'd be very interested to know how you found this; for all of you on email, if you would like to share your experience, we would really appreciate your feedback, and accordingly would ask you respond to us on: [whakatanegreypower@gmail.com](mailto:whakatanegreypower@gmail.com)

## 2015 Overview....

The Committee of the Whakatane District Grey Power Association Inc. wish you all a happy, healthy and prosperous 2016.

I would like to thank the Committee for the great work that they did last year despite the negative and thankless aspects apparent during 2015.

When weighing up the positive and negative aspects of 2015, we can put the increased membership in the positive column together with the small but stalwart group of members who attended every meeting during the year.

Unfortunately, in the negative column we must list the apathetic behaviour of the majority of our members. The Committee thought long and hard concerning speakers for our meetings to ensure that a variety of topics were covered and we thought that we had done well with good speakers and interesting topics.

It is highly embarrassing to engage speakers of the calibre of Cara Addison from the Eastern Bay of Plenty Alzheimer's Association and have fewer than 20 members bother to attend. The word gets round and it becomes much harder to get good, interesting speakers in the future. It is also frustrating for the Committee who put so much time and effort into trying to make the meetings worth attending.

We have over 430 financial members in our Association, so we had no qualms about booking the Ohope Club for our Christmas function even though we had to guarantee a minimum of 50 guests. Despite our notices in the September newsletter and our pleadings in meetings and subsequent newsletter, we ended up with the grand total of 23 bookings, 16 of them being Committee members and guests. This means that from a membership of over 400 we had bookings from 7, repeat 7, financial members (excluding Committee.) We were unable

to get even 5% of our membership to attend a Christmas lunch. Disheartening to say the least and not conducive to our considering it worthwhile organising one this year.

This level of apathy is astounding. The 23 of us who had made bookings were justifiably upset that the lunch had to be cancelled, and we apologise to those members who were looking forward to an excellent Christmas function.

One member who attended the November meeting claimed that we did not give enough notice of the Christmas lunch (3 months is not enough?) so we may consider taking bookings from June this year! I would point out however, that Christmas is at the same time every year, therefore Christmas functions are held around that time each and every year.

It has been brought to our attention that Friday may not really a good day to hold Grey Power meetings, due to people going away for the weekend etc. so we have decided to trial having the meeting on a different day, to see if this makes a difference to numbers attending.

Other groups in Whakatane, with far fewer paid up members regularly attract 3 or 4 times as many members to their meetings. U3A is one such association; they have around 150 members and get between 70 and 85 people at every meeting.

What is wrong with Grey Power Whakatane that we cannot get a decent number of members to attend our meetings? The Committee has agonized over this and tried different methods of advertising meetings etc. to no avail. If anyone has any practicable suggestions as to how we can improve attendance's at our meetings, please let us know.

Once again, best wishes for 2016.

*Susan Anderson - Secretary*

## Membership Renewals:

It's that time of the year to renew your membership, subscriptions are due by March 31, 2016 for the period April 1, 2016 thru March 31, 2017. A copy of our Membership Subscription Form is included within this news issue.

For those of you who will be renewing their memberships on line via internet banking; this can now be done via the website;

<http://www.greypowerwhakatane.org.nz>

If so doing, can you please email us stating the value of your payment, and if including a donation, what the value of that donation is.

It would also be appreciated if you could include your names and membership numbers in the email.

## New Buttons On the Grey Power Website

Grey Power Federation have recently added two buttons to the Grey Power website.

The first button is entitled:

### "Grey Power Media Releases"

The contents of this button are pretty much self-explanatory.

The second button is entitled:

### "Latest Media Comment"

This button will feature media releases and opinion pieces from media outlets around New Zealand, which relate to the more senior New Zealanders. In "Latest Media Comment" are two articles which may be of interest:

1. Super Gold card free transport for seniors under stealth attack. Opinion from the "Christchurch Press"
2. Elderly lives could be saved by new drug harm prediction system. TV1 NEWS - February 10, 2016.

For those members who do not have the internet, and are therefore unable to access the website at home, we would advise that you can use the computers and access the internet free of charge (Limited Period) at the library.

For those who are on line but feel they may require some assistance in the use of computers and the internet etc, contact **Senior Net** on: 07 308 0564 and ask about the various courses they provide, all at extremely reasonable rates.

## Facebook Page

We are pleased to announce we now have a Facebook page, look us up at: greypowerwhakatane.

## Air Conditioning Systems

Many of you are already aware that Air Conditioning systems, also known as Heat Pumps, provide the most energy efficient form of heating; providing up to 4.5 KW of heat for every 1.0 KW of power consumed. However; to achieve this efficiency, these systems need to be professionally designed and installed. Alex Glover of **100% Air Conditioning**, is one of our members, his company is one of those in Whakatane offering this service. Call **07 308 7362** for further information, or visit their website.

## Forget the Gym!!! Housework's In!!

Thirty minutes of vacuuming has the same effect as 15 minutes of kickboxing.

Getting stuck into the vacuuming or hanging out loads of washing may not be the most appealing of pastimes, but a new study has found that doing household chores can burn more than 2,000 calories a week.

Scrubbing the bathroom tiles, doing laundry, washing dishes and vacuuming the house can be the equivalent of a workout at the gym depending, of course, on how thoroughly you're cleaning.

The study found doing washing for an hour burns about the same number of calories simple housework tasks use. calories calories we all burn without even realising it.

For example, if you want to work on your biceps spend some extra time cleaning the bath, as the movement was found to be best for toning arms and shoulder muscles.

If you're after a stronger stomach, put your hand up for a spot of ironing, said to strengthen abdominal muscles.

The best option for maximum calorie burning will see you heading into the garden for weeding, hoeing and planting, which should burn 213 calories in just half an hour.

Darren Beale from MuscleFood.com, which conducted the study, told the Daily Mail: Many of you may like to rack up hours at the gym, so we thought it might be fun to look into

how many calories we all burn without even thinking about it and/or trying.

So here are but a few examples; cleaning windows is equal to roughly 40 push ups.

And for those who know the benefits of the dreaded plank (holding a push up position with your forearms on the ground), dusting is said to achieve the same results.

If you're heading outdoors to sort out that lawn, you could find yourself working up a sweat with the lawn mower that's on par with a 20 minute HIIT (High Intensity Interval Training) session.

The findings also looked into which chores are best for certain areas of the body.

Mr. Beale said the findings were surprising. "Who would have thought that something as effortless as making the beds gives you the same work out as walking...

He notes for those of us with little spare time, fitting exercise into a schedule is tough, along with keeping up to date with housework.

"Now you don't need to feel as guilty knowing that whilst you're cleaning the windows you've worked off that muffin you ate earlier."

See the following page for just how many calories you use doing the household chores.

## How many calories are you burning doing your weekly chores?

CHORE	CALORIES LOST	WORKOUT EQUIVALENT
Scrubbing the bath (15 mins)	100	30 jump squats
Doing the laundry (1 hr)	78	100 sit-ups
Washing up (15 mins a night for a week)	560	2,500 metre swim
Vacuuming (30 mins)	90	15 mins kickboxing
Dusting (15 mins)	25	2 mins planking
Ironing (3 hrs)	420	Zumba class
Making beds (15 mins)	65	1 mile power walk
Mopping and sweeping (30 mins)	145	15 mins treadmill
Cleaning windows (1 hr)	334	40 push-ups
Mowing (1 hr)	325	20 mins HIIT training
Gardening (30 mins)	213	45 mins cycling

\* Calculations may vary depending how clean you like floors, dishes and windows

## WHY TEACHERS DRINK

*The following questions were set in an examination not that long ago  
These are genuine answers (from 16 year olds) ..... and they **WILL** breed.  
(scary)*

**Q. Name the four seasons**

**A. Salt, pepper, mustard and vinegar**

**Q. Explain one of the processes by which water can be made safe to drink**

**A. Flirtation makes water safe to drink because it removes large pollutants like grit, sand, dead sheep and canoeists**

**Q. How is dew formed**

**A. The sun shines down on the leaves and makes them perspire**

**Q. What causes the tides in the oceans**

**A.. The tides are a fight between the earth and the moon. All water tends to flow towards the moon, because there is no water on the moon, and nature abhors a vacuum. I forget where the sun joins the fight**

**Q. What guarantees may a mortgage company insist on**

**A. If you are buying a house they will insist that you are well endowed**

**Q. In a democratic society, how important are elections**

**A. Very important. Sex can only happen when a male gets an election**



**Q. What are steroids**

**A. Things for keeping carpets still on the stairs** (Shoot yourself now, there is little hope)

**Q.. What happens to your body as you age**

**A. When you get old, so do your bowels and you get intercontinental**

**Q. What happens to a boy when he reaches puberty**

**A. He says goodbye to his boyhood and looks forward to his adultery** (So true)

**Q. Name a major disease associated with cigarettes**

**A. Premature death**

**Q. What is artificial insemination**

**A. When the farmer does it to the bull instead of the cow**

**Q. How can you delay milk turning sour**

**A. Keep it in the cow** (Simple, but brilliant)

**Q. How are the main 20 parts of the body categorised (e.g. The abdomen)**

**A. The body is consisted into 3 parts - the brainium, the borax and the abdominal cavity. The brainium contains the brain, the borax contains the heart and lungs and the abdominal cavity contains the five bowels: A, E, I, O, U..** (wtf!)

**Q. What is the fibula?**

**A. A small lie**

**Q. What does 'varicose' mean?**

**A. Nearby** Asian answer!

**Q. What is the most common form of birth control**

**A. Most people prevent contraception by wearing a condominium** (That would work)

**Q. Give the meaning of the term 'Caesarean section'**

**A. The caesarean section is a district in Rome**

**Q. What is a seizure?**

**A. A Roman Emperor.** (Julius Seizure, I came, I saw, I had a fit)

**Q. What is a terminal illness**

**A. When you are sick at the airport.** (Irrefutable)

**Q. What does the word 'benign' mean?**

**A. Benign is what you will be after you be eight** (brilliant)

## Outlook on 2016....

As a new feature; every news issue this year will feature a column by one of your committee, in which they will share their personal views and opinions. First up is our Treasurer - Brian Newton.

Well it's another year, 2016 is upon us, what fortunes will be in store for us in this year. For sure it would seem 2016 is playing out to be a year of uncertainty; to name but one - will we have a new flag?

The finance markets are extremely jittery, concerns over the Chinese economy, the risks associated with low commodity prices, negative interest rates and deflation in the global economy. Are we heading into another GFC? What will the impact be on New Zealand in 2016?

The big subject has been the TPPA, will it be beneficial to New Zealand? There are certainly some divided views on this topic. Whatever your opinion on this matter, one thing is certain, we live in a global economy. We need to trade with other nations, long gone are those days when one nation could stand alone, not so in today's world Economy. Every nation needs to trade with others, no one nation is totally self-sufficient, not even the US can claim this. All nations in today's global economy must trade with others in order to survive and meet the needs of their populous.

The United States of America is the world's largest economy, yes the Chinese economy may be close; however, in terms of GDP per capita, they are a long way off the USA, having a trade deal with the USA, along with the other partners within the TPPA can therefore only be seen as positive and beneficial in business terms, and business is the lifeblood of our economy and society.

We live in one of the world's most sought after and desirable countries; however, reading the press and listening to certain aspects of the media, I sometimes begin

to wonder if we are greatly overlooking just how fortunate we as a nation really are. Since 2008, our tourist industry has grown immensely, we are now one of the top destinations for tourism in the world, we have top class resorts, restaurants and of course unparalleled amazing scenery, yes other countries, i.e.; the US and Canada have very similar scenic attractions, but none within such a small area. We are indeed unique, which explains why we are such a highly desired tourist destination.

We are the envy of many countries in terms of our percentage debt to GDP, as at December 2014; the latest figures available, New Zealand had one of the lowest percentage debt to GDP in the developed world, just 30.43. Compare this to Japan at 230, the UK at 89.4, Italy at 132.3, Germany at 74.7, Canada at 86.51, USA at 102.98 and even our closest neighbours Australia at 33.88. One amazing fact associated with these figures is that we have achieved this whilst going through the Global Financial Crisis and the Christchurch earthquakes.

Tourism is second only to Dairy as our prime industry, yes Dairy is currently suffering, as are all other Dairy industries globally; however, our exports in other sectors are growing, business confidence has grown steadily over the past three months, showing an overall level of optimism.

Fluoridation of our drinking water has been a hot topic of late, with us seeing our council back down on the decision, which I for one, believe was the right decision. For those receiving this news issue electronically, there are also information articles on this subject attached, along with other articles we feel may be of interest.

The above are but a few of my own personal opinions, they may not be shared by all of the committee, nor I accept by all of our membership.

*Brian Newton - Treasurer*



## MEMBERSHIP SUBSCRIPTION FORM

Mr / Mrs / Ms \* (Please Circle One)

Given Name: \_\_\_\_\_ Family Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_ 'Phone: \_\_\_\_\_

Membership No: (Renewal) \_\_\_\_\_ Mobile: \_\_\_\_\_

**Annual Membership \$15.00 Single**  
**\$25.00 Double**

**Renewal / New \*\* (Please Circle One)**  
**Valid to March 31, 2017**

*Any donation to help with the cost of paper, postage and stationery would be greatly appreciated.*

Subscription ..... Birth date - (if under 50) \_\_\_\_\_

Donation ..... **To: Whakatane Grey Power**

**Total Remitted \$** \_\_\_\_\_

**P.O. Box 830**  
**Whakatane 3158**

If you post to our P.O. Box, it will assist us immensely if you could please include a stamped addressed envelope for mailing your Membership Card (s) and if paying by cash (Please note that we do not advise sending cash through the mail), your receipt.

### Internet Banking

Payment can be made direct to our kiwi bank account via internet banking, our preferred method of payment; details of our account together with the required details are as listed below; if you are a new member and paying via this method, please also send us an email to [whakatanegreypower@gmail.com](mailto:whakatanegreypower@gmail.com) advising us your details as listed above, including identifying how the amount paid is made up.

**Account Name:** Whakatane Grey Power  
**Account Number:** 38 9003 0986339 02

#### Details To Appear On Our Statement:

Particulars	Code	Reference
Initials & Given Name	Subs – Don	Membership Number ***

\*\*\* (New Members please leave the reference field blank;  
your membership number will be emailed to you once payment is received).

\*\*\*\* Do you wish to receive material from Grey Power Federation? YES / NO \*\*\*\* (Please Circle One)

*And Now:*

*Some exercises to help us all  
stay fit, maintain muscle  
strength and keep healthy*

## Exercises for over 60s

Stand on a comfortable surface.

With 2kg potato sack in each hand, extend your arms horizontally & hold for one minute, then relax.

Each day you'll find that you can hold this position a little longer.



After 2 weeks, move up to 5kg potato sacks.

After 1 month try 25kg potato sacks.

Eventually, you'll be able to lift 50kg sacks in each hand, holding your arms straight for 1 minute.

After you feel confident at this level...

*put a potato in each sack!!*

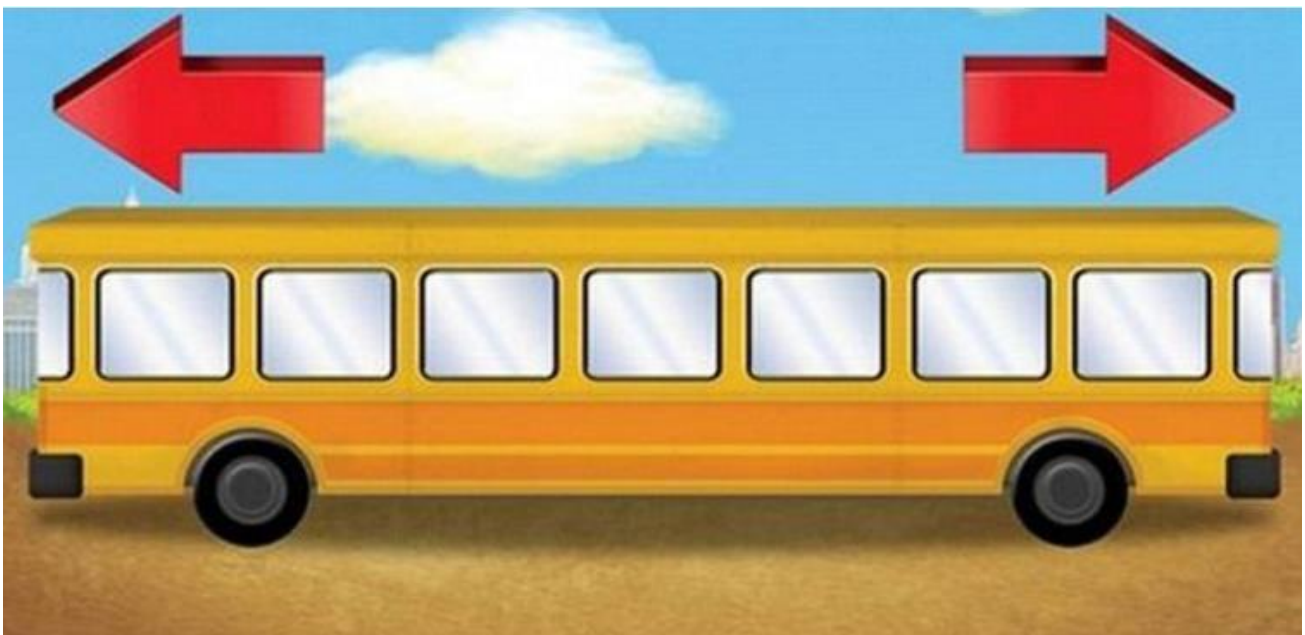


Share this tip!

STARTS  
60  
AT

## *And finally... Something To Tax The Little Grey Cells!*

In which direction is this bus travelling? This brain teaser has been around for quite a while and has been used many times, it seems that young children have little to no problem with solving it; adults however, do not seem to find it so easy, have a go!



# ***Fluoridation History & Facts***

"Tell a lie loud enough and long enough and people will believe it."

- Adolf Hitler

"Fluoridation is the greatest case of scientific fraud of this century."

- Robert Carlton, Ph.D, former EPA scientist, 1992

The history of forcing fluoride on humans through the fluoridation of drinking water is wrought with lies, greed and deception. Governments that add fluoride to drinking water supplies insist that it is safe, beneficial and necessary, however, scientific evidence shows that fluoride is not safe to ingest and areas that fluoridate their drinking water supplies have higher rates of cavities, cancer, dental fluorosis, osteoporosis and other health problems. Because of the push from the aluminium industry, pharmaceutical companies and weapons manufacturers, fluoride continues to be added to water supplies all over North America and due to recent legal actions against water companies that fluoridate drinking water supplies, precedent has been set that will make it impossible for suits to be filed against water suppliers that fluoridate. There is a growing resistance against adding toxic fluoride to our water supplies, but unfortunately, because fluoride has become "the lifeblood of the modern industrial economy"(Bryson 2004), there is too much money at stake for those who endorse water fluoridation . The lies of the benefits of water fluoridation will continue to be fed to the public, not to encourage health benefits to a large number of people, but to profit the military-industrial complex.

The story begins in 1924, when Interessen Gemeinschaft Farben (I.G. Farben), a German chemical manufacturing company, began receiving loans from American bankers, gradually leading to the creation of the huge I.G. Farben cartel. In 1928 Henry Ford and American Standard Oil Company (The Rockefellers) merged their assets with I.G. Farben, and by the early thirties, there were more than a hundred American corporations which had subsidiaries and co-operative understandings in Germany. The I.G. Farben assets in America were controlled by a holding Company, American I.G. Farben, which listed on it's board of directors: Edsel Ford, President of the Ford Motor Company, Chas. E. Mitchell, President of Rockefeller's National City Bank of New York, Walter Teagle, President of Standard Oil New York, Paul Warburg, Chairman of the federal reserve and brother of Max Warburg, financier of Germany's War effort, Herman Metz, a director of the Bank of Manhattan, controlled by the Warburgs, and a number of other members, three of which were tried and convicted

as German war criminals for their crimes against humanity. In 1939 under the Alted agreement, the American Aluminium Company (ALCOA), then the world's largest producer of sodium fluoride, and the Dow Chemical Company transferred its technology to Germany. Colgate, Kellogg, Dupont and many other companies eventually signed cartel agreements with I.G. Farben, creating a powerful lobby group accurately dubbed "the fluoride mafia"(Stephen 1995).

At the end of World War II, the US government sent Charles Eliot Perkins, a research worker in chemistry, biochemistry, physiology and pathology, to take charge of the vast Farben chemical plants in Germany. The German chemists told Perkins of a scheme which they had devised during the war and had been adapted by the German General Staff. The German chemists explained of their attempt to control the population in any given area through the mass medication of drinking water with sodium fluoride, a tactic used in German and Russian prisoner of war camps to make the prisoners "stupid and docile"(Stephen 1995). Farben had developed plans during the war to fluoridate the occupied countries because it was found that fluoridation caused slight damage to a specific part of the brain, making it more difficult for the person affected to defend his freedom and causing the individual to become more docile towards authority. Fluoride remains one of the strongest anti-psychotic substances known, and is contained in twenty-five percent of the major tranquilizers. It may not seem surprising that Hitler's regime practiced the concept of mind control through chemical means, but the American military continued Nazi research, exploring techniques to incapacitate an enemy or medicate an entire nation. As stated in the Rockefeller Report, a Presidential briefing on CIA activities, "the drug program was part of a much larger CIA program to study possible means of controlling human behavior" (Stephen 1995).

The 'dental caries prevention myth' associated with fluoride, originated in the United States in 1939, when a scientist named Gerald J. Cox, employed by ALCOA, the largest producer of toxic fluoride waste and at the time being threatened by fluoride damage claims, fluoridated some lab rats, concluded that fluoride reduced cavities and claimed that it should be added to the nation's water supplies. In 1947, Oscar R. Ewing, a long time ALCOA lawyer, was appointed head of the Federal Security Agency, a position that placed him in charge of the Public Health Service(PHS). Over the next three years, eighty-seven new American cities began fluoridating their water, including the control city in a water fluoridation study in Michigan, thus eliminating the most scientifically objective test of safety and benefit before it was ever completed.

American 'education and research' was funded by the Aluminium Manufacturing, Fertilizer and Weapons Industry looking for an outlet for the increasingly mounting fluoride industrial waste while attaining positive profit increase. The 'discovery' that fluoride benefited teeth, was paid for by industry that needed to be able to defend "lawsuits from workers and communities poisoned by industrial fluoride emissions" (Bryson 1995) and turn a liability into an asset. Fluoride, a waste constituent in the manufacturing processes of explosives, fertilizers and other 'necessities', was expensive to dispose of properly and until a 'use' was found for it in America's water supplies, the substance was only considered a toxic, hazardous waste. Through sly public re-education, fluoride, once a waste product, became the active ingredient in fluorinated pesticides, fungicides, rodenticides, anaesthetics, tranquilizers, fluorinated pharmaceuticals, and a number of industrial and domestic products, fluorinated dental gels, rinses and toothpastes. Fluoride is so much a part of a multibillion-dollar industrial and pharmaceutical income, that any withdrawal of support from pro-fluoridationists is financially impossible, legally unthinkable and potentially devastating for their career and reputation.

Funded by US industrialists, in an attempt to encourage public acceptance of fluoride, Edward Bernays, known also as the father of PR, or the original spin doctor, began a campaign of deception to persuade public opinion. Barnays explained "you can get practically any idea accepted if doctors are in favour. The public is willing to accept it because a doctor is an authority to most people, regardless of how much he knows or doesn't know"(Bryson 2004). Doctors who endorsed fluoridation didn't know that research discrediting fluoride's safety was either suppressed or not conducted in the first place. Fluoride became equated with scientific progress and since it was introduced to the public as a health-enhancing substance, added to the environment for the children's sake, those opposing fluoride were dismissed as cranks, quacks and lunatics. Fluoride became impervious to criticism because of a relentless PR offensive, but also because of its overall toxicity. Unlike chemicals that have a signature effect, fluoride, a systemic poison, produces a range of health problems, so its effects are more difficult to diagnose.

Recently declassified US Military documents such as Manhattan Project, shows how Fluoride is the key chemical in atomic bomb production and millions of tonnes of it were needed for the manufacture of bomb-grade uranium and plutonium. Fluoride poisoning, not radiation poisoning, emerged as the leading chemical health hazard for both workers and nearby communities.



A-bomb scientists were ordered to provide evidence useful for defence in litigation, so they began secretly testing fluoride on unsuspecting hospital patients and indignant, mentally retarded children. "The August 1948 Journal of the American Dental Association shows that evidence of adverse effects from fluoride was censored by the US Atomic Energy Commission for reasons of "national security" (Griffiths 1998). The only report released stated that fluoride was safe for humans in small doses.

During the Cold War, Dr. Harold C. Hodge, who had been the toxicologist for the US Army Manhattan Project, was the leading scientific promoter of water fluoridation. While Dr. Hodge was reassuring congress of the safety of water fluoridation, he was covertly conducting one of the nation's first public water fluoridation experiments in Newburgh, New York, secretly studying biological samples from Newburgh citizens at his US laboratory at the University of Rochester. Since there are no legal constraints against the suppression of scientific data, the only published conclusion resulting from these experiments was that fluoride was safe in low doses, a profoundly helpful verdict for the US Military who feared lawsuits for fluoride injury from workers in nuclear power plants and munitions factories. Fluoride pollution was one of the biggest legal worries facing key US industrial sectors during the cold war.

A secret group of corporate attorneys, known as the Fluorine Lawyers Committee, whose members included US Steel, ALCOA, Kaiser Aluminium, and Reynolds Metals, commissioned research at the Kettering Laboratory at the University of Cincinnati to "provide ammunition"(Bryson 2004) for those corporations who were fighting a wave of citizen claims for fluoride injury. The Fluorine Lawyers Committee and their medical ambassadors were in personal and frequent contact with the senior officials of the federal National Institute for Dental Research, and have been implied in the 'burying' of the forty year old Kettering study, which showed that fluoride poisoned the lungs and lymph nodes in laboratory animals. Private interests, sought to destroy careers and censor information by ensuring that scientific studies raising doubts about the safety of fluoride never got funded, and if they did, never got published.

During the 1990's, research conducted by Harvard toxicologist Phillis Mullenix showed that fluoride in water may lead to lower IQ's, and produced symptoms in rats strongly resembling attention deficit and hyperactivity disorder (ADHD). Just days before her research was accepted for publication, Mullenix was fired as the head of toxicology at the Forsyth Dental Centre in Boston. Then her application for a grant to continue her fluoride and central nervous system research was turned down by the US National Institute of Health (NIH), when an NIH panel told her that "fluoride does not have central nervous system effects"(Griffiths 1998).

Despite growing evidence that it is harmful to public health, US federal and state public health agencies and large dental and medical organizations such as the American Dental Association (ADA), continue to promote fluoride. Water fluoridation continues, despite the Environmental Protection Agency (EPA)'s own scientists, whose union, Chapter 280 of the National Treasury Employees Union, has taken a strong stand against it. Dr. William Hirzy, vice president of Chapter 280, stated that "fluoride (that is added to municipal water) is a hazardous waste product for which there is substantial evidence of adverse health effects and, contrary to public perception, virtually no evidence of significant benefits" (Mullenix 1998). Although fluoride is up to fifty times more toxic than sulphur dioxide, it is still not regulated as an air pollutant by the American Clean Air Act. Since thousands of tonnes of industrial fluoride waste is poured into drinking water supplies all over North America, supposedly to encourage gleaming smiles in our children, big industry in the US has the benefit of emitting as much fluoride waste into the environment as they like with absolutely no requirement to measure emissions and no way of being held accountable for poisoning people, animals and vegetation.

In August 2003, the EPA requested that the National Research Council, the research arm of the National Academy of Sciences (NAS), re-evaluate water fluoride safety standards by reviewing recent scientific literature, because the last review in 1993 had major gaps in research. "Neither the US Food and Drug Administration (FDA), nor the National Institute for Dental Research (NIDR), nor the American Academy of Paediatric Dentistry has any proof on fluoride's safety or effectiveness"(Sterling 1993). The International Academy of Oral Medicine and Toxicology has classified fluoride as an unapproved dental medicament due to it's high toxicity and the US National Cancer Institute Toxicological Program has found fluoride to be an "equivocal carcinogen" (Maurer 1990).

Currently the US government is continuing to introduce further fluoridation schemes throughout the country, including the Water Act passed in November 2003, which has made it impossible for water companies to undergo civil or criminal hearings as a result of adding fluoride to public water supplies.

In a society where products containing asbestos, lead, beryllium and many other carcinogens have been recalled from the marketplace, it is surprising that fluoride is embraced so thoroughly and blindly. It seems absurd that we would consider paying the chemical industry to dispose of their toxic waste by adding it to our water supply. Hiding the hazards of fluoride pollution from the public is a capitalist-style con job of epic proportions that has occurred because a powerful lobby wishes to manipulate public opinion in order to protect its own financial interests. "Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country... our minds are moulded, our tastes formed, our ideas suggested, largely by men we have never heard of" (Bernays 1991).



# NEW ZEALAND RETIREMENT EXPENDITURE GUIDELINES 2015

## FIRST PUBLISHED NOVEMBER 2015



Workplace Savings NZ is the peak retirement savings industry body, focused on advancing the sustainable, effective and efficient delivery of workplace savings outcomes for all involved. We are a national, not-for-profit, apolitical membership organization. Our membership, which includes corporate, public sector &, industry superannuation funds, KiwiSaver schemes

as well as individuals and service providers to workplace savings arrangements, represents over 90% of the approximately 2.7 million New Zealanders with workplace super and/or KiwiSaver membership. Workplace Savings NZ members manage or advise on the bulk of the \$42 billion (as at June 2014) in workplace retirement savings assets.



The Fin-Ed Centre is a joint initiative between Westpac and Massey University. The Centre aims to empower New Zealanders to make more financially savvy decisions – to give people the tools they need for the life-long process of managing their finances. Key projects include a 20-year longitudinal study that follows 300 New Zealanders to understand their needs

for financial knowledge at different life stages, a multi-level certification programme for personal financial educators and the New Zealand Retirement Expenditure Report – a joint initiative between the centre and savings industry body Workplace Savings NZ to establish guidelines for ‘modest’ and ‘comfortable’ retirement.

## ACKNOWLEDGEMENTS

This work is based on/includes customised Statistics New Zealand’s data which are licensed by Statistics New Zealand for re-use under the Creative Commons Attribution 3.0 New Zealand licence.

Our thanks to Dr Malcolm Menzies for peer reviewing the report, and providing useful feedback to enhance the report.

## DISCLAIMER

The views expressed in this report are those of the authors and do not necessarily represent the views of Workplace Savings New Zealand or its members, the Fin-Ed Centre, Massey University or Westpac New Zealand Limited. This document is a general guide to retirement expenditure, and should not be relied upon or used as a substitute for professional advice specific to individual circumstances. The author and contributors are not authorised or registered financial advisers.

## AUTHOR

Dr Claire Matthews - Director, Academic Programmes, Massey Business School and Board Member, Westpac Massey Fin-Ed Centre

Discussions about the affordability and adequacy of NZ Superannuation<sup>1</sup>, and its predecessors, have been occurring almost continuously since a public pension was first provided in New Zealand. A long and comfortable retirement is now the expectation and experience of most New Zealanders.

This report is the fourth in a series that commenced in 2012<sup>2</sup>. The Retirement Expenditure Guidelines are produced to assist New Zealanders with their retirement planning. The Retirement Expenditure Guidelines provide information about levels of expenditure in retirement to assist non-retirees with planning budgets for their retirement, as a foundation from which to calculate the level of savings needed to provide the desired future retirement experience.

## DATA<sup>3</sup>

The data used to prepare the 2015 Retirement Expenditure Guidelines are from the most recent Statistics New Zealand's triennial Household Economic Survey (HES)<sup>4</sup>, for the year ended 30 June 2013. The HES does not include the entire New Zealand population; rather it targets the New Zealanders aged 15 years or older that are usually resident in New Zealand and that live in private homes.

Although data from the HES is published on the Statistics New Zealand website, it is not in a form considered helpful to a person interested in retirement expenditure. Statistics New Zealand extracted expenditure data from the HES using specifications supplied for that purpose, which have subsequently been adjusted for inflation – initially for the 12 months to 30<sup>th</sup> June 2014<sup>5</sup> and now for the 12 months to 30<sup>th</sup> June 2015. The data extracted are only for retired households, defined as being where one form of income is New Zealand Superannuation, a war pension or other government pension, and grouped according to the number of people in the household and the geographic region in which the household resides.

## ABOUT THE RETIREMENT EXPENDITURE GUIDELINES<sup>6</sup>

The New Zealand Retirement Expenditure Guidelines comprise a set of eight expenditure guidelines, to reflect different groups of retirees. The retirement groups are split by geographic location, household size and budget type. It is important to note that the guidelines do not represent suggested or recommended levels of expenditure – they reflect actual levels of expenditure in retired household, as defined above, as determined from the HES.

The guidelines have been produced for two geographic-related groupings. The first is the **Metro** budget, based on data for the Auckland and Wellington Regional Council areas and Christchurch City. The second is the **Provincial** budget for the rest of New Zealand.

Two types of households have been included in the guidelines: the first is the **one-person household**; and, the other is a **two-person household**. While it is true that retired households can comprise a range of living arrangements, including households of three or more people, these guidelines cannot cater for every situation. Approximately 80% of all people aged 65+ live in households of one and two persons according to data from the 2013 census<sup>7</sup>.

1 NZ Superannuation is the universal public pension provided by the government to New Zealanders who attain the age of eligibility, currently 65, and meet residency criteria.

2 Previous editions can be found on the Fin-Ed Centre and Workplace Savings NZ websites.

3 Additional detail on the data used is available in the 2012 report

4 The information about the triennial Household Economic Survey is from the Statistics New Zealand website, and further information is available at [http://www.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/Households/HouseholdEconomicSurvey\\_HOTPYejun13.aspx](http://www.stats.govt.nz/browse_for_stats/people_and_communities/Households/HouseholdEconomicSurvey_HOTPYejun13.aspx)

5 See the June 2014 Retirement Expenditure Guidelines Report

6 The basis for calculating the Retirement Expenditure Guidelines was changed with effect from the 2014 report. Details of the changes are provided in that report.

7 Source: 2013 Census QuickStats about people aged 65 and over. Statistics NZ (available from <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-65-plus.aspx>)



Finally, two levels of expenditure have been included in the guidelines. The **No Frills** guidelines reflect a basic standard of living that includes few, if any, luxuries. The **Choices** guidelines represent a more comfortable standard of living, which includes some luxuries or treats. The No Frills Guidelines are based on the average expenditure of the second quintile of the HES for retired households, while the Choices Guidelines are based on the average expenditure of the fourth quintile of the HES for retired households. The second quintile comprises households in the 21st to 40th percentile for household income, while the fourth quintile comprises households in the 61st to 80th percentiles for household income. The income ranges for the five quintiles, in 2013 figures, are shown below:

QUINTILE	INCOME RANGE METRO	INCOME RANGE PROVINCIAL	RETIREMENT EXPENDITURE GUIDELINES
First	Under \$22400	Under \$24200	
Second	\$22400 to under \$32700	\$24200 to under \$34300	No Frills
Third	\$32700 to under \$56900	\$34300 to under \$49600	
Fourth	\$56900 to under \$101800	\$49600 to under \$79000	Choices
Fifth	\$101800 and over	\$79000 and over	

Data for the HES is collected over a 12-month period and can include expenditure that overlaps two calendar years – no adjustment is made for that difference in coverage. For this report the HES data have been adjusted for the effect of inflation<sup>8</sup> between the June 2013 quarter and the June 2015 quarter.

## EXPLANATORY NOTES

- These guidelines do not represent recommended levels of expenditure.
- The levels of expenditure shown in the guidelines may be used to assist in the development of projected retirement budgets, by providing information about actual levels of expenditure in retired households in standard expenditure categories.
- The guidelines are based on averages for quintiles.
- There are too few responses for spending in some expenditure sub-classes to permit reliable estimation; however, these responses can be included in the class estimation where there are more responses. As a result the classes are not always the totals of the sub-classes.
- The HES, on which the guidelines are based, relies on participants to accurately record their expenditure, and is only for a two-week period, which may not represent a typical fortnight for that household.
- The guidelines should not be used as a substitute for professional advice specific to individual circumstances.
- There is no retirement age in New Zealand, but the age of eligibility for NZ Superannuation (currently 65) is commonly used as a proxy for this. The definition of a retired household follows from this, as being one where one form of income is New Zealand Superannuation, a war pension or other government pension. However, it is recognised that a retired household may include one or more persons who are still working part-time or even full-time.

<sup>8</sup> CPI information and data was sourced from [http://www.stats.govt.nz/browse\\_for\\_stats/economic\\_indicators/CPI\\_inflation.aspx](http://www.stats.govt.nz/browse_for_stats/economic_indicators/CPI_inflation.aspx)

An overall CPI figure is calculated by Statistics New Zealand, as well as CPIs for the constituent groups and subgroups. The HES data have been adjusted for the effect of inflation using the appropriate group and subgroup CPIs.

# THE NEW ZEALAND RETIREMENT EXPENDITURE GUIDELINES

## ONE PERSON HOUSEHOLDS, EXPENDITURE PER WEEK

	NO FRILLS		CHOICES	
	METRO	PROVINCIAL	METRO	PROVINCIAL
<b>FOOD</b>	77.00	72.73	133.37	108.94
Fruit and vegetables	12.79	13.59	22.33	17.48
Meat, poultry and fish	14.60	12.81	28.12	19.34
Grocery food	30.05	31.80	51.22	46.78
Non-alcoholic beverages	3.99	3.82	10.97	4.27
Restaurant meals & ready-to-eat food	15.37	10.36	20.37	20.61
<b>ALCOHOLIC BEVERAGES, TOBACCO AND ILLICIT DRUGS</b>	10.02	4.97	34.98	19.71
Alcoholic beverages	8.65	3.91	30.88	18.14
Cigarettes & tobacco	..S <sup>9</sup>	..S	..S	..S
<b>CLOTHING AND FOOTWEAR</b>	24.24	5.10	..S	37.55
Clothing	17.36	4.44	..S	30.49
<b>HOUSING AND HOUSEHOLD UTILITIES</b>	136.53	122.24	199.54	205.74
Actual rentals for housing	..S	19.07	..S	..S
Home ownership	6.25	14.43	..S	<sup>10</sup> 63.37
Property rates & related services	39.28	39.92	75.64	39.09
Household energy	37.89	30.74	38.63	40.59
<b>HOUSEHOLD CONTENTS AND SERVICES</b>	36.72	19.68	54.91	48.11
Furniture, furnishings & floor coverings	13.83	8.59	30.91	13.05
Household textiles	..S	..S	..S	7.06
Household appliances	9.45	4.41	..S	15.43
Glassware, tableware & household utensils	2.21	..S	..S	..S
Other household supplies & services	5.25	4.78	6.76	6.37
<b>HEALTH</b>	36.99	21.62	41.10	23.13
Medical products, appliances & equipment	5.07	4.06	..S	8.90
Out-patient services	32.12	17.62	14.72	11.10
<b>TRANSPORT</b>	34.62	45.18	112.22	92.46
Purchase of vehicles	..S	..S	..S	..S
Private transport supplies & services	24.46	24.89	42.18	42.78
Passenger transport services	8.76	5.19	27.72	2.64
<b>COMMUNICATION (TELECOMMUNICATION)</b>	22.54	18.69	25.17	23.35
Telecommunication services	22.24	18.18	25.21	23.58
<b>RECREATION AND CULTURE</b>	54.87	45.24	42.42	92.69
Audio-visual & computing equipment	4.52	8.27	..S	2.49
Other recreational equipment & supplies	6.46	6.79	9.51	11.45
Recreational & cultural services	17.12	20.03	17.21	52.51
Newspapers, books & stationery	9.25	7.00	10.71	9.00
Accommodation services	4.63	..S	..S	..S
Miscellaneous domestic holiday costs	0.86	0.56	..S	1.32
<b>EDUCATION</b>	..S	..S	..S	..S
<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	49.58	43.88	<sup>11</sup> 110.32	86.61
Personal care	10.03	6.71	19.56	16.86
Personal effects nec	4.87	1.10	..S	6.51
Insurance	32.88	29.17	76.23	46.84
Credit services	0.42	0.23	1.39	1.77
<b>OTHER EXPENDITURE</b>	6.65	19.58	..S	43.73
Interest payments	..S	12.54	..S	23.59
Contributions to savings	..S	..S	..S	..S
Expenditure incurred whilst overseas	..S	2.05	..S	3.78
<b>TOTAL</b>	<b>489.77</b>	<b>418.91</b>	<b>754.03</b>	<b>782.02</b>

<sup>9</sup> ..S indicates that too few households reported spending in that category to permit reliable estimation

<sup>10</sup> The figure for Home Ownership for the Choices budget for Provincial OnePerson Households has been adjusted, because the original figure of \$351.77 was clearly an outlier relative to figures for this class for other categories, and appears to have been distorted by very high expenditure levels for a small number of respondents

<sup>11</sup> The figure for Miscellaneous Goods & Services for the Choices budget for Metro OnePerson Households has been adjusted, because the original figure of \$238.62 was clearly an outlier relative to figures for this class for other categories and the total of the sub-classes, and appears to have been distorted by very high expenditure levels for a small number of respondents.

**TWO PERSON HOUSEHOLDS, EXPENDITURE PER WEEK**

	NO FRILLS		CHOICES	
	METRO	PROVINCIAL	METRO	PROVINCIAL
<b>FOOD</b>	119.72	137.53	187.76	173.57
Fruit and vegetables	20.33	22.21	29.38	24.12
Meat, poultry and fish	26.78	21.88	35.23	35.17
Grocery food	47.91	61.29	61.06	67.63
Non-alcoholic beverages	7.35	8.55	10.89	11.23
Restaurant meals & ready-to-eat food	16.91	22.94	51.28	34.99
<b>ALCOHOLIC BEVERAGES, TOBACCO AND ILLICIT DRUGS</b>	6.09	17.97	29.17	33.31
Alcoholic beverages	5.60	14.01	25.58	26.00
Cigarettes & tobacco	..S	3.20	..S	5.90
<b>CLOTHING AND FOOTWEAR</b>	4.85	13.83	31.57	18.30
Clothing	4.86	9.17	27.60	15.85
<b>HOUSING AND HOUSEHOLD UTILITIES</b>	163.81	144.25	254.74	166.57
Actual rentals for housing	73.19	..S	..S	..S
Home ownership	..S	31.54	73.70	32.66
Property rates & related services	23.97	36.82	60.60	45.88
Household energy	37.79	43.65	46.62	57.32
<b>HOUSEHOLD CONTENTS AND SERVICES</b>	32.61	39.65	43.34	49.76
Furniture, furnishings & floor coverings	..S	14.29	14.37	14.41
Household textiles	..S	5.07	1.80	2.53
Household appliances	..S	6.48	3.34	7.55
Glassware, tableware & household utensils	..S	1.59	1.79	2.10
Other household supplies & services	5.33	6.57	13.62	10.03
<b>HEALTH</b>	13.50	47.99	72.75	60.92
Medical products, appliances & equipment	5.91	20.97	15.53	10.73
Out-patient services	7.42	25.94	56.97	49.81
<b>TRANSPORT</b>	42.98	84.98	129.40	165.97
Purchase of vehicles	..S	..S	29.26	46.33
Private transport supplies & services	29.06	52.20	70.36	71.52
Passenger transport services	6.80	6.97	29.77	47.90
<b>COMMUNICATION (TELECOMMUNICATION)</b>	22.35	20.20	33.44	28.07
Telecommunication services	21.63	18.52	31.18	27.01
<b>RECREATION AND CULTURE</b>	53.07	73.68	141.96	151.78
Audio-visual & computing equipment	..S	2.71	10.23	7.35
Other recreational equipment & supplies	8.73	14.61	17.74	27.99
Recreational & cultural services	25.91	30.82	68.09	48.88
Newspapers, books & stationery	5.42	11.41	14.15	20.46
Accommodation services	..S	10.80	9.66	17.27
Miscellaneous domestic holiday costs	..S	1.48	3.55	6.56
<b>EDUCATION</b>	..S	..S	..S	1.28
<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	42.14	76.72	129.25	121.05
Personal care	9.76	15.55	24.45	23.01
Personal effects nec	2.37	6.01	7.61	7.00
Insurance	28.77	48.84	91.99	83.15
Credit services	0.48	3.51	2.27	3.43
<b>OTHER EXPENDITURE</b>	21.81	21.02	38.39	41.75
Interest payments	19.08	6.87	10.93	21.31
Contributions to savings	..S	7.75	15.17	11.76
Expenditure incurred whilst overseas	..S	4.78	11.47	7.50
<b>TOTAL</b>	<b>522.93</b>	<b>677.83</b>	<b>1091.77</b>	<b>1012.32</b>

## WHAT DO THE 2015 RETIREMENT EXPENDITURE GUIDELINES TELL US?

While we cannot compare the guidelines back to the first report in 2012 due to the change in methodology discussed in the 2014 report, we can consider how the total level of expenditures has changed since 2013 for each of the guideline groups.

### TOTAL WEEKLY EXPENDITURE

		2013	2014	2015	PERCENTAGE CHANGE 2013-2015
One-person households	No Frills – Metro	480.99	487.68	489.77	1.83%
	No Frills – Provincial	411.75	417.82	418.91	1.74%
	Choices – Metro	739.81	752.05	754.03	1.92%
	Choices – Provincial	769.58	780.16	782.02	1.62%
Two-person households	No Frills – Metro	513.26	521.15	522.93	1.88%
	No Frills – Provincial	667.19	676.62	677.83	1.59%
	Choices – Metro	1073.55	1088.67	1091.77	1.70%
	Choices – Provincial	1000.27	1012.94	1012.32	1.20%

Of note is the difference in the increase in expenditure between the eight guideline groups. This difference reflects the different weightings of classes of expenditure within the guideline groups, which also helps explain the small reduction in total weekly expenditure for the Choices – Provincial Two-person Household group. For this household group the small decrease appears to be due to transport-related expenditure representing a higher relative proportion of total expenditure (16.4%) as at 30<sup>th</sup> June 2015, compared to the other Two-person Households (8.2% – 12.5%). The CPI figure for the transport class for the 12 months to 30<sup>th</sup> June 2015 was -4.3%, compared to the overall CPI figure of 0.4% for that period.

It is helpful to compare these expenditure totals with the rates of NZ Superannuation. On 1<sup>st</sup> April 2015, New Zealand Superannuation rates increased by 2.07%<sup>12</sup>, and the two key rates increased to<sup>13</sup>:

Single, living alone	\$374.53 per week	after tax at the M rate
Couples, both qualify	\$576.20 per week	after tax at the M rate

Overall, the CPI inflation rate for the two years to 30<sup>th</sup> June 2015 was 2.01%, while the increase in NZ Superannuation was 4.79%.

### COMPARISON OF INFLATION AND NZ SUPERANNUATION INCREASES

	2013	2014	2015
CPI Inflation to 30 <sup>th</sup> June	0.90%	1.60%	0.40%
Increase in NZ Superannuation as at 1 <sup>st</sup> April	2.44%	2.66%	2.07%

It is important to recognise that the overall CPI inflation rate hides substantial differences in inflation between expenditure classes. For example, while the total CPI inflation rate for the twelve months to 30<sup>th</sup> June 2015 was 0.4%, for the Housing and Household Utilities expenditure class it was 2.5%, while for the Communications expenditure class it was -5.3%. The importance of this difference can be seen in the relative level of expenditure for the different classes. For example, the Housing and Household Utilities expenditure class represents 31.3% of expenditure for the No Frills – Metro Two-person Household group compared to 4.3% for Communications for that group in the 2015 Retirement Expenditure Guidelines.

<sup>12</sup> Source: <http://www.workandincome.govt.nz/about-work-and-income/news/2015/benefit-rates-changes.html>

<sup>13</sup> Source: <http://www.workandincome.govt.nz/individuals/brochures/benefit-rates-april-2015.html#NZSuperannuationandVeteransPension> 14

#### GAP BETWEEN GUIDELINES AND NZ SUPERANNUATION

		2015	NZ SUPER	GAP
One-person households	No Frills – Metro	489.77		-115.24
	No Frills – Provincial	418.91	374.53	-44.38
	Choices – Metro	754.03		-379.50
	Choices – Provincial	782.02		-407.49
Two-person households	No Frills – Metro	522.93		53.27
	No Frills – Provincial	677.83	576.20	-101.63
	Choices – Metro	1091.77		-515.57
	Choices – Provincial	1012.32		-436.12

As the table above shows, it is clear that over-65s households need additional income, as NZ Superannuation is insufficient to meet identified levels of expenditure, with the exception of the No Frills – Metro Two-person Household group. That additional income could include government allowances such as the accommodation supplement, but it is likely to also require personal savings to provide on-going income. Calculations using Sorted's Retirement Planning calculator<sup>11</sup>, reported in the 2014 Retirement Expenditure Guidelines report, suggested a lump sum of \$111,255 would be needed by a single person living in a Metro area wanting a No Frills lifestyle, while a couple in a provincial area wanting a No Frills lifestyle would need \$98,832.

## WHAT CAN I BUY BASED ON THE 2015 RETIREMENT EXPENDITURE GUIDELINES?

In the original 2012 report, we considered what the expenditure levels actually meant in practical terms. In this report, it seems timely for a reconsideration to provide context for the numbers. The starting point of this reconsideration below is on the No Frills expenditure levels, since they impose greater limitations on lifestyle; however, there is also some consideration of the Choices expenditure levels. The examples are illustrative only, as actual expenditure would reflect individual preferences.

**Food** comprises 14-17 per cent of the total expenditure for the one-person households and 17-23 per cent for the two-person households, making it one of the more substantial expenditure categories. Grocery food, which excludes fruit and vegetables, makes up nearly half of this category. For one-person households, the No Frills Metro guideline includes \$30.05 for Grocery food, plus \$14.60 for Meat, poultry and fish, and \$12.79 for Fruit and vegetables, while for the Choices Metro guideline the equivalent figures are \$51.22, \$28.12 and \$22.33.

At \$21.99<sup>12</sup> per kg sirloin steak is probably not going to be on the No Frills menu, since the weekly Meat, poultry and fish budget would only purchase about 660 grams, enough for 2-3 meals. Chicken stir-fry, at \$12.99 per kg, may be a better option offering nearly 1.2 kilograms, which would be sufficient for 4-5 meals. The Choices Metro guideline would allow more options, being nearly twice the expenditure level: say 400gms of sirloin steak (\$8.80), 600gms of chicken stir-fry (\$7.79), 500gms of sausages (\$7.15) and 500gms of lamb chops (\$4.00).

The Fruit and vegetables options under the No Frills Metro guideline for one-person households look more reasonable, with two heads of broccoli for \$3, a 1.5kg bag of apples for \$3.49, a ready-mix salad for \$2.99 and a 1kg bag of frozen mixed vegetables for \$2.79 making a total of \$12.27. The Choices Metro guideline allows for nearly \$10 more expenditure, which would potentially allow more 'exotic' fruit and vegetables to be purchased, while placing less emphasis on seasonal availability, which can substantially affect prices. So under the Choices guideline we could add a pineapple (\$2.99), 200gms of mushrooms (\$1.80) and three capsicums (\$5) for a total of \$22.06.

<sup>14</sup> <https://www.sorted.org.nz/calculators/retirement>

<sup>15</sup> The prices used for the discussion of food expenditure are taken from the New World weekly mailer for 21-27 September 2015.

The Other Grocery food under the No Frills Metro guideline could include two cans of soup (\$5), a packet of 100 tea bags (\$3.59), a box of cereal (\$3.99), a jar of peanut butter (\$3.49), two loaves of bread (\$5), a 500g packet of pasta (\$1.99), a 500g pack of margarine or butter (\$2.99) and a packet of biscuits (\$3.49), for a total of \$29.54. Obviously some of those items would last more than a week, but even taking that into account the shopping list indicates restrictive options. Spending under the Choices guideline we could add a cheese & bacon ciabatta (\$3.99), spaghetti and baked beans (four cans for \$5), jam (\$4.49), a 3-litre bottle of fruit juice (\$3.99) and a six-pack of yoghurt (\$3.49) for a total of \$50.50.

Another important category of household spending is **Housing and household utilities**. This comprises 23-29 per cent of total expenditure for the one-person households and 16-31 per cent for the two-person households. Household energy represents 18-34 per cent of the costs in the Housing and household utilities category, or 4-8 per cent of total costs.

We'll compare **Household energy** expenditure for two-person households. This comparison is restricted to electricity as a simplification. For the purposes of this comparison, we have used Mercury Energy's prices for its Good Energy Plan<sup>16</sup>, which includes a fixed daily charge of \$2.68 per week. Like most energy companies Mercury Energy offers a prompt payment discount (in this case 10%), and the comparison assumes that this is being received. Based on Mercury Energy prices, a Metro household spending at the No Frills level uses an average of 130.4kWh per week, which increases to 163.2kWh for the Choices level of expenditure. A Provincial household spending at the No Frills level uses an average of 153.6kWh per week, increasing to 204.5kWh at the Choices level.

The following table provides an estimate of weekly kilowatt hours (kWh) used by different electrically powered items, and shows which can be used within the Household energy expenditure class. It is important to note that energy use is difficult to compare, because prices vary between providers and is very dependent not just on the type of electrical equipment being used, but also on the specific appliances that are being used

COMPARISON OF ELECTRICITY EXPENDITURE

ELECTRICAL ITEM	USAGE DETAILS <sup>17</sup>	NO FRILLS (KWH)		CHOICES (KWH)	
		METRO	PROVINCIAL	METRO	PROVINCIAL
Hot water cylinder*	3800 watt @ 3 (4) hours per day	80.0	80.0	106.0	106.0
Fridge/freezer#	250l (400l) fridge & 120l (250l) freezer	6.6	6.6	10.4	10.4
Washing machine#	5.5kg capacity @ 4 cold (7 warm) washes per week	0.6	0.6	6.0	6.0
Oven*	1 hour per day	14.0	14.0	14.0	14.0
Television#	42 (52) inch screen @ 3 (5) hours per day	1.3	1.3	3.1	3.1
Kettle*	1 hour per day (based on coffee maker)	6.3	6.3	6.3	6.3
Lights*	CFL 60W equivalent - 4 lights @ 2 (4) hours per day	1.2	1.2	2.0	2.0
Computer*#	17 (24) inch monitor @ 2 (4) hours per day	2.1	2.1	2.5	2.5
Clock/radio*	Two (for a two-person household)	1.4	1.4	1.4	1.4
Toaster*	15 minutes per day	2.5	2.5	2.5	2.5
Microwave*	30 minutes per day	5.0	5.0	5.0	5.0
Heat pump#	5kW output heat pump, with average use of 5 hours per day	n.a.	30.5	n.a.	30.5
Dishwasher#	14-place setting capacity @ 5 times per week	n.a.	n.a.	n.a.	4.5
Clothes dryer#	5kg capacity @ 2 uses per week for half of year	n.a.	n.a.	n.a.	3.7
TOTAL KWH (AVAILABLE PER GUIDELINE EXPENDITURE)		121.0 (130.4)	151.5 (153.6)	159.2 (163.2)	197.9 (204.5)
1. Items denoted by * have had their energy used calculated using a calculator available at <a href="http://michaelbluejay.com/electricity/">http://michaelbluejay.com/electricity/</a> , while items denoted by # have been calculated using a calculator available at <a href="https://www.energywise.govt.nz/tools/running-costs-calculator/#/">https://www.energywise.govt.nz/tools/running-costs-calculator/#/</a>					
2 n.a means that there is no room in the electricity budget to allow use of this item					

<sup>16</sup> Mercury Energy has been used as their rates appear to be in the middle of the range of prices charged, based on information available on the Consumer Powerswitch website (<https://www.powerswitch.org.nz/powerswitch/price-trends/providers>). At the time of the calculation Mercury Energy had a daily charge of 0.3333c+GST. For a Palmerston North property (Provincial), the Good Energy Plan had a kWh charge of 0.2594+GST, while for a property in the Hillsborough area of Auckland (Metro) the kWh charge was 0.2601+GST.

<sup>17</sup> Where the usage shows two different situations, the first represents the No Frills usage level and the second in brackets represents the Choices usage level.



Of note in the above table is that Metro households have almost used up their energy budget before anything is spent on heating. Under the No Frills guideline, the Metro household has available to it less than one-third of the Provincial households' spending on heating. The Choices Metro guideline capacity for spending on heating is less again, but it does have more flexibility because it includes higher usage in some categories such as the fridge/freezer, which could be reduced to enable more heating expenditure to be included.

**Insurance** is a sub-class of expenditure that represents a relatively substantial portion of total expenditure, representing 5-9 per cent across all the guidelines. In dollar terms, the weekly expenditure on insurance ranges from \$28.77 to \$91.99. Some insurance can be seen as optional, such as health insurance, while other insurance, like home and contents insurance, is often viewed as a necessity. This was clearly illustrated in the survey reported in the 2012 Retirement Expenditure Guidelines report, which found 93% of retirees had contents and car insurance, while only 35% had medical/health insurance and 27% had life insurance.

The house, contents and car insurance costs have been calculated using Trade Me Insurance<sup>18</sup>, for a two-person household in Palmerston North and then in the Hillsborough area of Auckland. The first comprehensive car insurance quote used a 2010 Toyota Corolla GX Auto 4-speed sedan with a 1.8 litre engine, valued at \$10,000, with a male driver of 70 and a female driver of 67. For the second quote the car became the 2013 model of the same vehicle with a value of \$20,000. The cost for house insurance is based on a 250 square metre owner-occupied brick home with a tile roof, with a cost to rebuild of \$500,000. The price for contents insurance is based on a value of \$150,000, with no specified items (which can significantly affect the premium). Both the House and Contents assumed an owner-occupied home, with the oldest insured person aged 70, and no recent claims history. The cost was calculated using different excesses to compare the costs.

It is important to note that none of the quotes included any discounts, such as those commonly available for multiple policies with the same company or having an alarm system, so the prices could be reduced further. However, not everyone would be happy with the large excesses, and reducing the excesses would increase the premiums. In addition, there may be personal circumstances, such as a recent claims history, which would also increase the premiums.

In addition, we considered the cost of funeral plan cover, which is a type of insurance that can be more useful for older people. The cost of cover was calculated for the Golden Life Plan from Golden Life insurance<sup>19</sup>.

As the table shows a Metro two-person household is limited to house and contents insurance with the maximum excesses if insurance spending is at the No Frills guideline. Increasing insurance spending to the Choices guideline allows car insurance and funeral plan insurance for both to be included and also allows a reduction in the excess on the house and contents insurance. The difference between the two spending levels is not quite so marked for the Provincial two-person household, but there is certainly more cover and lower excesses at the Choices expenditure level.

18 <https://www.trademeinsurance.co.nz/>

19 <http://goldenlife.co.nz/nzg/GLCalcQuote>

## COMPARISON OF INSURANCE EXPENDITURE

		PROVINCIAL		METRO	
		NO FRILLS	CHOICES	NO FRILLS	CHOICES
House	\$2500 excess	19.84		19.00	
	\$1000 excess		24.50		23.38
Contents	\$1000 excess	9.28		10.42	
	\$250 excess		14.83		16.74
Comprehensive car	\$10,000	7.18			
	\$20,000		8.43		11.74
Funeral - 70 yo male	\$5,000	12.23			
	\$10,000		22.62		22.62
Funeral - 67 yo female	\$5,000		9.46		
	\$10,000				17.08
TOTAL (\$PER WEEK)		48.53	79.84	29.42	91.56

It is not practical to do this comparative exercise for all the expenditure categories, but these three examples for important expenditure groups provide a clear illustration of the everyday differences that exist between spending at a No Frills level or at a Choices level. In particular, it highlights some of the restrictions that are faced by households spending at a No Frills level.

## SUMMARY AND CONCLUSIONS

This report has found that for almost every type of New Zealand household and level of expenditure surveyed, there is a gap between expenditure by people aged 65+ and the income provided by New Zealand Superannuation. The only exception is the No Frills – Metro Two-person Household group. It can be concluded that most New Zealanders will need to save through their working lives if they aspire to a better standard of living in retirement than NZ Superannuation alone can support.

The guidelines contained in the report can be used as input to planning for retirement income. For example, the size of the weekly gap between NZ Superannuation and a particular level of expenditure might be multiplied to calculate a “ball park” savings target for a given length of retirement. Targets derived this way can range from zero to several hundred thousand dollars. However, this crude method does not take into account individual factors such as existing savings, time to retirement and life expectancy, nor inflation, fees and interest.

A more sophisticated approach is to feed desired retirement expenditure levels into a retirement planning calculator such as the one found at <https://www.sorted.org.nz/calculators/retirement>.

Alternatively, those planning their retirement income can consult an Authorised Financial Advisor (see <http://fma.govt.nz/consumers/getting-financial-advice/>).

Whatever path is taken, we hope that the guidelines contained in this report will be of assistance to New Zealanders as they plan for their retirements.

# State of our nation: The good and the bad news

**The Salvation Army's annual report on New Zealand life is surprisingly rosy, but it does highlight some concerns. Article courtesy of NZ Herald - Simon Collins reports:**

Most elements of life in New Zealand are getting better despite worsening inequality, a Salvation Army report shows.

The latest annual "state of the nation" report by the army's social policy and parliamentary unit says real wages are rising and material hardship, crime, welfare, teen pregnancy, infant mortality, alcohol consumption and gambling are all falling.

All this is happening despite evidence of still-growing inequality, with a near-record 29 per cent of children living in homes earning below 60 per cent of the median household income after housing costs.

A main cause of inequality is now housing costs, with Auckland house prices up 19.8 per cent and rents for three-bedroom homes up 5.7 per cent last year, while wages rose only 1.5 per cent. Renters and first-home buyers are worse off, while existing homeowners are sitting on higher asset values and paying the lowest mortgage interest rates for 50 years.

The combination of still-rising inequality and improving social wellbeing is a paradox, because many social scientists have seen inequality as the root cause of many social problems.

But Salvation Army analyst Alan Johnson, who wrote the report, said regular minimum wage increases had helped to protect Kiwi workers from the more extreme inequality seen in the United States.

AUT public health researcher Professor Max Abbott suggested last week that a decline in gambling over the past 15 years pointed to New Zealanders "adapting" to the radical liberalisation of the gambling industry during the economic reforms of the late 1980s and early 90s.

He said yesterday that people might also be adapting to other radical changes in the same reform period which initially caused unemployment, crime and welfare rates to skyrocket.

NZ Initiative head of research Dr Eric Crampton said crime rates have also fallen in other developed countries since the 1990s.

"In the United States they put some of that down to getting rid of leaded gasoline and the effect of lead on the brain," he said. Lead was removed from petrol in New Zealand in 1996.

# THE GOOD NEWS



## **Crime**

Crime is declining. A survey of almost 7000 New Zealanders last October found that 11 per cent of people were victims of personal crimes such as violence and theft from the person in the past year, down from 18 per cent in 2005 and 17 per cent in 2008.

The number of such crimes dropped from 1,925,000 in 2005 to 1,825,000 in 2008, and by a further 25 per cent to 1,375,000 in the latest survey.

Crimes affecting the household, such as burglary and car theft, have almost halved over the decade and the proportion of households affected has dropped from 30 per cent to 17 per cent.

## **Welfare**

The Social Development Ministry says benefit-dependent families have shrunk from 30 per cent of all children in 1998 to 17 per cent last March. The Salvation Army estimates it is now 16.4 per cent, the lowest since the late 1980s.

## **Teen pregnancy**

Teen pregnancy has almost halved from around 6 per cent of young women aged 15 to 19 getting pregnant in 2008 to just 3.1 per cent in 2014.

The report says this may be due to "improved health education for adolescents, changing personal and familial expectations, and perhaps more stringent welfare requirements".

## **Infant mortality**

Infant mortality rates have been declining with improved health care for as long as records exist, and have fallen from 0.52 per cent of babies dying before their first birthday in 2011 to a record low of 0.41 per cent last year. However, this is still the sixth-highest death rate in the 30-nation OECD and compares with 0.36 per cent in Australia.

## **Alcohol**

The average Kiwi drank 9.34 litres of pure alcohol in the year to last September, down from 10.21 litres in 2010 and a 15-year low. We are drinking more wine, but this is outweighed by less beer and spirits.

## **Gambling**

The average adult lost \$605 (net of wins) on all forms of recorded gambling in the year to last June, down 7 per cent from 2010 after adjusting for inflation and the lowest since 1999. Lotto revenue fell 9 per cent last year, outweighing increases for the TAB (up 5 per cent) and casinos (up 4 per cent).

## **Wages**

Employees' average weekly earnings rose by 3 per cent faster than prices last year to \$973 a week, up 10 per cent in inflation-adjusted terms over the past five years. This average includes both fulltime and part-time workers and is affected by increased hours as well as wage rates.

Actual wage rates rose just 1.5 per cent last year, or 1.4 per cent after allowing for a 0.1 per cent increase in prices, and have risen 3.4 per cent faster than prices over the past five years. The report says increases in the legal minimum wage have helped to lift wages in the lowest-paid sectors such as accommodation and food faster than in the highest-paid group (finance).

## **Preschool education**

Almost all children in high- and middle-income areas have been attending preschool for years, so efforts in recent years have been aimed at lifting participation in the poorest three income deciles.

The report says those efforts are working, with school entrants in the poorest three deciles who have attended preschool rising from 87.2 per cent in 2010 to 92.5 per cent last year.

# THE BAD NEWS



## **Housing costs**

The report says Auckland's housing prices are in a "bubble", up 26.6 per cent in the year to September according to the Real Estate Institute. (More recent QV data show a slowdown to a 19.8 per cent rise in the year to December).

Over the five years to September, the Auckland median rose 75 per cent, from \$465,000 to \$765,000, or from nine to 12.9 times the average wage. Rents have also risen in Auckland, by 5.7 per cent in the past year for a three-bedroom house and by 6.9 per cent for two-bedroom units. Rents are also rising in Waikato and Western Bay of Plenty, but have stabilised in Christchurch.

## **Household debt**

Household debt rose 4 per cent last year to average \$134,800 or 152 per cent of average household after-tax income, almost matching its 2009 peak of 156 per cent. About 90 per cent of this debt is housing-related.

## **Prisoners**

Despite the falling crime rate, prisoner numbers hit a new record of 9112 last August. The report says this was entirely due to more offenders being jailed while on remand (up from 1694 to 1977 in the year to last June), while sentenced prisoners reduced slightly from 6766 to 6755.

## **Reoffending**

The proportion of released prisoners returning to jail within a year declined steadily from 28.4 per cent in 2010 to 25.9 per cent in 2014 in line with a Government target, helped by more spending on drug and alcohol programmes, prison employment and support to reintegrate into the community. But reoffending jumped back to 28.1 per cent last year.





### **Housing shortage**

The report estimates Christchurch lost about 12,000 houses in the earthquakes of 2010-11, but it now has more houses (190,000) than before the quakes (186,200). Its population has also recovered to 476,900, above a pre-quake figure of 463,900 and about the same ratio of 2.5 people per house as before the quakes.

However, Auckland's housing shortage worsened by a further 2000 homes. Its homes were already relatively crowded with 3 people per house before the building industry collapsed in the global financial crisis, and on that basis its population increase of 32,000 in the year to last September required 10,733 new homes. Only 8721 consents for new dwellings were issued.

### **Educational achievement**

Students in the poorest three deciles are slowly closing the gap with students in the richest three deciles in NCEA: 69.2 per cent of the poorer students left school with at least NCEA level 1 in 2009 and 78.2 per cent in 2014, while the richer students' rate only inched up from 90.6 per cent to 95 per cent.

But the reverse was true for University Entrance: only 16.7 per cent of the poorer school-leavers had UE in 2009 and still only 16.8 per cent in 2014, compared with 55.9 per cent of the richer students in 2009 and 59.9 per cent in 2014.

### **Unemployment**

Unemployment jumped from 3.3 per cent at the end of 2007 to over 6 per cent from 2009-13, and has come down slightly to 5.7 per cent at the end of 2014 and 5.3 per cent last December.

But employment has also dropped in the past year from 65.9 per cent of the population aged 15 and over to 65.3 per cent, mainly because of the ageing population. Employment grew strongly by 4.8 per cent in 2013, and by 3.6 per cent in 2014, but growth slowed to 1.4 per cent last year despite a population increase of about 2 per cent.

## **Child poverty**

Children in material hardship, based on measures such as going without meat and staying cold to save on heating costs, peaked at 21 per cent of all children in the recent recession, and have now fallen back to the pre-recession rate of 14 per cent.

But children in homes earning below 60 per cent of the median household income after housing costs - "relative poverty" - jumped back up to the recession peak of 30 per cent in 2014, because average incomes for working families increased much faster at high and middle-income levels than for lower-paid workers.



## **Food parcels**

The Salvation Army gave out 55,100 food parcels last year, just 100 fewer than 2014 and only slightly down from a 2013 peak of 56,400.



## **Child abuse**

Cases of child abuse and neglect substantiated by Child, Youth and Family (CYF) have plunged by 26 per cent from 22,291 in 2010-11 to 16,472 in the year to last June. But notifications to CYF were unchanged, about 151,000 in both years, and the report says the decline in substantiated cases appears to be related to CYF decisions to reduce the cases it investigated from 42 per cent to 30 per cent.