

Greetings from the team at CFS as we look to farewell Winter...

technically anyway, and look forward to willingly rise in the early hours in order to follow the Rugby World Cup. If you are fortunate enough to have been on an extended international holiday or completely ignored any media story in the last month you may have missed the media hype about the end of the dairy farming world as we know it, or the end of PHARMAC subsidised drugs if New Zealand signs the Trans-Pacific Partnership Trade agreement (TPP). In this newsletter we attempt to provide a little levity and balance to this hype by providing some analysis on dairy farming economics as well as an article on the roles of MEDSAFE and PHARMAC.

On a personal level I'm off to attend the graduation of my son who has just completed a 3 month induction into the NZ Air Force, learning the rules and regulation and customs before embarking on trade training and world travel. I have a biased opinion but I still maintain that the armed forces, Army, Navy Air Force, provide the best trade training available and all without getting into debt!

But enough of my attempt to get my children financially independent, read on and if you wish to discuss your financial situation please call us or come in and have a chat.

The Drug Debate

Drug companies and pharmaceutical costs seem to be the major talking points in the press. 'If NZ becomes a signatory to the TPP what will happen to the costs of our medicine?' I thought it would be timely to remind everyone as to how pharmaceutical companies gain entry to NZ as a place to sell their product.

Essentially all pharmaceutical companies must pass stringent procedures enforced by MEDSAFE, New Zealand Medicines and Medical Devices Safety Authority. There is no World body to regulate the constant battle between business and medicinal/treatment appropriateness. Basically each country has responsibility to ensure safety of medicine and in NZ we use MEDSAFE, which is a business unit with the Ministry of Health with responsibility for the regulation of therapeutic products in New Zealand. The level of discretion is such that a drug approved by the USFDA, the Food and Drug Administration in the USA, may not be approved in New Zealand, and may never be approved.

Another important consideration is that of the role PHARMAC, the Pharmaceutical Management Agency of New Zealand. PHARMAC examines cost-utility and cost effectiveness of a medicine compared to other medicines that produce the same or similar effect, to determine how treatment with

a medicine might impact on the health of New Zealanders and the pharmaceutical and overall health budget before coming to a decision about funding.

The effect that these two agencies have on your health insurance is that some insurance providers are limited to offering you PHARMAC approved drugs only. Even if they can provide all Medsafe drugs, these can be limited to specific treatment only i.e. for early stage breast cancer treatment only, or late stage prostate cancer only after chemotherapy etc. For drugs not approved by MEDSAFE, that may already be approved and effective in Europe, Asia or the USA, people would have to travel and privately fund such treatment.

With respect to such a drug issue, we believe that the most efficient manner in which you retain the choice of treatment is to initiate a trauma insurance policy. Irrespective of the health insurance, a trauma policy will provide 100% certainty that you will have the means to receive the appropriate drug treatment that your doctor advises, without hindrance from government agencies.



ECONOMIC MODELS EXPLAINED WITH COWS

AMERICAN CAPITALISM

You have 2 cows. You sell one, and force the other to produce the milk of four cows. Later, you hire a consultant to analyse why the cow has dropped dead.

FRENCH CAPITALISM

You have 2 cows. You go on strike, organize a riot, and block the roads, because you want three cows.

GERMAN CAPITALISM

You have 2 cows. You re-engineer them so they live for 100 years, eat once a month and milk themselves.

JAPANESE CAPITALISM

You have 2 cows. You redesign them so they are 1/10 the size of an ordinary cow, and produce the milk of 20 cows. You then create a clever cow cartoon image called cowkimon and market them worldwide.

ITALIAN CAPITALISM

You have 2 cows, but you don't know where they are. You decide to have lunch.

SWISS CAPITALISM

You have 5,000 cows. None of them belong to you. You charge the owners for storing them.

CHINESE CAPITALISM

You have 2 cows. You have 300 people milking them. You claim that you have

full employment and high bovine productivity. You arrest the newsman who reported the real situation.

RUSSIAN CAPITALISM

You have 2 cows. You count them and learn that you have 5 cows. You count them again and learn that you have 42 cows. You count them again and learn that you have 2 cows. You stop counting cows and open another bottle of Vodka.

INDIAN CAPITALISM

You have 2 cows. You worship them.

BRITISH CAPITALISM

You have 2 cows. Both are mad.

IRAQI CAPITALISM

Everyone thinks you have lots of cows. You tell them that you have none. Nobody believes you, so they bomb the crap out of you and invade your country. You still have no cows but at least you are now a Democracy.

GREEK CAPITALISM

You have 2 cows borrowed from French and German banks. You eat both of them. The banks call to collect their milk, but you cannot deliver so you call the IMF. The IMF loans you two cows. You eat both of them. The banks and the IMF call to collect their cows/milk. You are out getting a haircut.

Inspiration

"Twenty years from now you will be more disappointed by the things you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover."

Mark Twain

"Reality is merely an illusion, albeit a very persistent one." - *A.Einstein*

Transferable skills

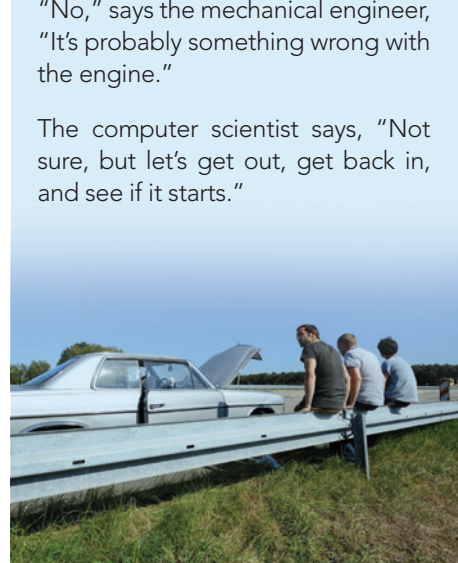
A chemical engineer, a mechanical engineer, and a computer scientist are on a road trip when all of a sudden their car breaks down.

They pull over to the side of the road and start hypothesizing what is wrong.

The chemical engineer says, "It's probably something wrong with the catalytic converter."

"No," says the mechanical engineer, "It's probably something wrong with the engine."

The computer scientist says, "Not sure, but let's get out, get back in, and see if it starts."



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