



# MACKAY ON MONEY (AND OTHER THINGS)

BY AUTHORISED FINANCIAL ADVISER CHRIS MACKAY

**A**mate of mine David, reckons a Green MP is a cross between a Trotskyist and a tree hugger.

I must admit a certain sympathy for the hugger part. The other bit – not so much. With the tree hugging comes recycling. Which is something I'm very keen on and do my best to do my bit. But boy oh boy – it's getting harder. I recently put out some party ice plastic bags in the recycling bin and got them returned to the bin with a “thanks but no thanks” message. So, it seems the supermarket won't give me a single use plastic bag as part of our saving the planet campaign but if I happen upon a plastic bag, I can't recycle it. Our new mayor

wants to stop paper blowing down the street by spending millions on new bins, but his council won't recycle any plastic unless it's a Type 1 or 2. The other plastic ends up at the Silverstream Tip. How disgraceful!

I wrote to Shane Jones a while back in his capacity as the Regional Development boss. I suggested he use a portion of his billion-dollar fund to support some high unemployment areas by creating recycling factories. The vision would be to actually convert all the used plastic and paper into some useful product or raw product. From time to time, one hears of some clever scientist who has worked a little alchemy with car tyres and plastic. It seems it's

often a scale issue – so the brilliant idea or invention never turns into commercial reality. But does it have to be market driven and profitable? Could it be a government subsidised enterprise? Every local council is spending a truckload of rate payers' money on tipping all this waste into landfills. Maybe every council is levied so much to support these new state of the art recycling factories. And perhaps every manufacturer or retailer who uses plastic pays a levy which goes to supporting the same factories until they can be self-sustaining.

Anyway, it appears this embryo of a potentially great idea didn't involve planting any pine trees, so my well-intentioned letter to a Minister of the Crown didn't even get an acknowledgement or even the courtesy of a reply. I would have almost been pleased to get a “TIF” letter, but nothing. What type of Minister doesn't ever acknowledge a voter's letter? You would think Shane might have got the Greenies on side with ideas like this, but they have been as useless as him. Have they achieved anything positive? I don't think so. We have got infrastructure projects we need to get cracking with, and therefore Jacinda making Greenie – Julie Anne Genter the anti-car-Tsar Associate Minister of Transport must surely be a joke. Being up the Kapiti Coast over Christmas and trying to drive north or south through Otaki at the wrong time of the day is diabolical. The expressway from Otaki to Levin needs doing, as does the Melling interchange and work at Kelson. Add in the walkway/cycleway from Eastbourne to Wellington and a solution to the Basin Reserve issue and you would hope the Minister of Finance is going to spend some of that war chest of \$6.8 billion he announced before Christmas, on the Wellington region. I hear the mayor is thinking of putting the Eastern Bays walkway/cycleway on hold. This would be a retrograde step. I trust deputy

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mayor Tui Lewis ensures commonsense prevails.

But I digress. Back to recycling. In September last year, we ticked off a line on our bucket list and went to India for three weeks. Starting in New Delhi, we flew to Varanasi, the spiritual capital of India on the banks of the river Ganges. "Ganga Mata" or Mother Ganges is very important to all Indians. Buddha is believed to have founded Buddhism in Varanasi around 528 BC when he gave his first sermon close by. And Hindus believe dying in Varanasi and getting cremated along the banks of the Ganges allows one to break the cycle of rebirth and attain salvation. Victor Mallet in a FT article reckons 32,000 corpses are cremated in Varanasi each year creating 200 tonnes of half burnt flesh ending up in the Ganges. The government has even released special dead-flesh-eating turtles into the Ganges, to clean up the rotting bodies but apparently poachers catch the turtles for food, so the experiment has not been a great success.

The Ganges begins in the Himalayas as a crystal clean river high in the mountains, but pollution and excessive usage transforms it into toxic sludge on its journey through cities and industrial hubs according to Jeremy Berke from the Business Insider. The levels of faecal coliform bacteria from human waste in the river near Varanasi are more than 100 times the Indian government's official limit. Diarrhoea, often caused by exposure to faecal matter kills 600,000 Indians per year.

Narendra Modi, the Indian Prime Minister represents Varanasi in the Parliament of India and has promised to clean up the Ganges. Despite its pollution, millions of Indians swim in the Ganges every year. It was a tough call, but I decided to leave the speedos in the suitcase this time!

After Varanasi, we bused to Khajuraho, Orchha, Agra (home of the absolutely stunningly beautiful Taj Mahal), Jaipur, Mandawa, Bikaner, Jaisalmer, Jodhpur, Udaipur and then flew to Mumbai where we finished our tour.

In the state of Rajasthan (where primarily we were travelling) a new town or village would materialise just as the bus was getting up to cruising speed, so chipping away at the miles between big cities wasn't easy.

We got caught up in quite few traffic jams and we learned to be patient. Usually it was some religious festival or procession up the road somewhere, that had to do its thing before traffic would flow. Reminds me of the old Athletic Park crowd on Adelaide Road after a test match.

Sitting in a stationary bus would not

be fun in Taihape's main road. But it was ok in India because people watching was fascinating. Locals were very friendly and would wave at us. The women's clothes were so colourful and beautiful. There were endless shops and food stalls. The vegetable retailer might well be sitting cross-legged on his food cart, in amongst the potatoes and weighing machine. Another bloke would be cooking something, putting the end result in a paper cone and cleaning everything down with a very grey looking rag, which he might also use to mop his sweaty brow. It was very hot over there! I also passed on the street food by the way. We were stuck inside the bus, so it was easy to not be tempted.

Wandering in amongst the festival and down between the food stalls would be a cow. They are everywhere. Meandering wherever they please, especially on the roads and wherever people were. I got my thigh butted by a cow on the footpath in Khajuraho, possibly Freudian-esque as it was just outside the Kama Sutra temple.

There are also dogs everywhere. Luckily, they ignore humans as they sleep mostly during the day, as it's so very hot. I did my best to avoid them even so. One afternoon in Jodphur, a guy on a bike caused a young pup to yelp – ran over his tail maybe – and mum gave the nearest person a retaliatory nip on the leg. It was an old chap minding his own business, walking past a shop on the other side of the lane. He was a few metres from us at the time of bite, but moved very quickly

in our direction, while checking whether the rip in his trousers meant he had actually got bitten by the bitch. Twenty thousand Indians die each year from rabies. About 15 million people get bitten by animals, mainly dogs. So, a bite or even a salivary lick on an open wound is not an immediate death sentence. But if the animal is a rabies carrier, and if you're not vaccinated or able to have treatment post haste, you're a goner.

Our tour escort told me stray dogs were one of the things he loved and which made India the quirky place it was. He told me they were basically harmless during the day when they were sleepy, but at night they tended to wander around in packs and they were best avoided in this case. I was wary of them day and night and would get rid of stray dogs if I was Modi. At present though, you could go to jail for five years if you kill a stray dog. India's Supreme Court recently ruled "even stray dogs have a right to live". How crazy! There are dogs for Africa in India. Twenty-five million stray dogs, all potentially ready to bite or lick you! Bugger that.

From our bus, we would also see the piles of rubbish I just couldn't get used to. They are dirty blighters. In the south, I'm told the government is trying to change the mindset but up north where we were, there were heaps of rubbish everywhere. Inside, homes are very clean I understand, but outside, people just chuck their garbage on the road or the footpath. I witnessed a beautiful

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young woman, dressed immaculately, order some street food which came in a shallow cardboard "boat". She ate whatever it was and then without checking for a rubbish bin (no need to - there aren't any!) dropped the container on the path and wandered off. There's crap everywhere. The green grocers and street vendors in preparing their wares, discard the leftovers and chuck it on the ground. But then, in defence of this particular redistribution method, the multitudinous numbers of cows and dogs fossick through any offcuts and clean up anything that takes their fancy. It's like having your very own food court every few metres.

And in Mumbai (Bombay) which is on the west coast, when the tide went out, there was so much rubbish washed up on the shoreline. I thought it was dreadful. Our taxi driver said you definitely don't swim in the ocean in Mumbai, although we witnessed some young chaps doing exactly that!

We had a tour through the largest Mumbai slum. The Dharavi slum was founded in 1884. It has an area on just over 520 acres and a population possibly between 700,000 and 2,000,000. Hindus, Sikhs, Buddhists and Muslims live beside one another in harmony.

It's got an annual economy estimated to be worth between US \$500 million to over US \$1 billion. The per capita income estimates are between US \$500 to US \$2,000 per year.

We were told you can actually buy your own home in the slum. Our guide's family own theirs. He lived there with his parents, sister, brother and wife, and his baby nephew. They have an upstairs room where they all sleep. Mmmm, how nice. He reckoned it was about 20 square metres which a real

estate agent might suggest is "cosy" and they have the same downstairs, which hosts the kitchen, lounge and a place they can have a wee. For the serious business, they have to use a communal lavatory around the corner. It costs five rupees (about 12 cents) for a session, and he told us 1400 people use the one loo every day! He wasn't kidding. Over 24 hours, that's less than four minutes a seating. No chance of reading the *Mumbai Daily Mail* in there. Oh, and you have to take your own water for the cleaning and flushing part of the exercise.

*"From our bus, we would also see the piles of rubbish I just couldn't get used to. They are dirty blighters."*

Back to the real estate. Our guide said you could buy a place like theirs – 40 square metres, up and down, no bathroom (not sure where they showered – we did see a local entrepreneur soaping and rinsing himself in an alleyway, so maybe that's how they do it) and all yours for around NZ \$60,000. A google search of Dharavi slum real estate indicated a cost of around 118,500 rupees per square metre which would have put the cost at more like NZ \$100k. Obviously, a function of location, location, location. There must be good parts and even better parts of Dharavi!

It's likely our guide's parents' two storied townhouse was smarter than the average Dharavi slum pad of around 25 square metres, same size as a Kiwi double garage. As an aside we were intrigued to discover and appreciated the irony, that our young guide, a lovely young man dressed and presented immaculately, was studying interior design at university.

Contrary to expectations, the slum was not a place of Dickensian misery, but rather a hive of bustling enterprise and activity and the people seemed happy enough.

The Indian population estimate mid-year 2020 is 1.38 billion people. GDP growth has been six per cent to seven per cent since 2000 but has slowed of late, possibly to around five per cent. Many economists are sceptical of the current data the government produces however. If it's true, from 2014 to 2018, India was the world's fastest growing economy, bigger than even China. There are millions of people in extreme poverty, but the middle-class numbers between 30 and 300 million and they're doing very nicely thank you.

There are quite a few millionaires too. One report estimated 263,000 in 2017, another – 330,000 in 2018, and still another reckoned there would be 950,000 millionaires by 2027.

Many thousands of wannabe millionaires with wads of cash stashed under their mattresses got a big fright three years ago. On November 8, 2016, Modi announced high value currency notes (500 and 1000 rupees worth say \$12 to \$24) would be withdrawn from the financial system overnight. The theory was an effort to close down untaxed cash transactions, to minimise tax evasion, and to destroy so-called "black" money. You could exchange your old money for new notes, but you had to explain how you had all this dough. There was an amnesty on tax evasion achieved by handing over the old cash and paying up to 45 per cent tax for voluntary disclosure. It sounds like tax evasion is a national sport and corruption is par for the course too. It's a complex country and with that huge population, you would have to assume there's the odd "bad egg".

But they are doing some things well, which brings me back to our local NZ recycling woes.

In the Dharavi slum for example, there were huge industries devoted to recycling.

One we saw, recycled aluminium cans and produced the engine housing for food blender motors. Another, recycled plastic and turned it into beautiful suitcases. Yet another factory was recycling old card board boxes into new cardboard boxes.

It was a billion-dollar turnover slum with 15,000 factories dedicated to recycling and sorting Mumbai's waste. I'm told 250,000 are employed by Dharavi to do this. Eighty per cent of Mumbai's solid waste is recycled and given new life within Dharavi.

Why can't we do this in New Zealand? It's time we did!

p.s. After writing this, the government announced that Otaki to Levin would go ahead, along with the Melling interchange. Good on Chris Bishop and ex mayor Ray Wallace for pushing Melling along!

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