Welcome

Purpose of the day
Resource materials online and in pack
Proceedings after event
Terms of reference
   New well-being focus
Today- taster of the debates to come
5 major themes
1. Looking back to go forward

Susan St John

Michael Littlewood

Diana Crossan
The 1975 election choice

Compulsory savings scheme

Or

National Superannuation?

1978

At age 60 fully universal non means tested pension at 80% of average wage for a couple
1985 The bitterness of the Surcharge

Tempus fugit

What is the purpose of retirement incomes policies?

- Poverty amelioration
- Poverty prevention
- Belonging and participation
- Income continuance

Value judgements needed. What does it look like we try to achieve in NZ?
Retirement income policies

Private
1. Private voluntary savings
2. Private, tax-encouraged savings
3. Compulsory, private savings
4. Compulsory, state savings scheme
5. Social insurance
6. Pensions paid for by earmarked taxes
7. Non-contributory, tax-funded, flat-rate, universal pensions
8. Non-contributory, tax-funded, flat-rate, income-tested pensions
9. Welfare benefits

Public

Private Pensions in New Zealand: Can they Avert the ‘Crisis’?

Susan St John and Toni Ashton

Institute of Policy Studies
1991 Budget watershed

NZ was, briefly, the most extreme of all countries

1. Voluntary saving
   .
   .
   .
9. Welfare benefit

(Tom Scott, The Dominion, July 1991)
By end of 1991

We were back to
• Basic state pension
• Tighter surcharge
• Age to rise to 65 over ten years

• Desire to solve the mess with private provision

Taskforce 1992
• Michael Littlewood
The 1992 Task Force

- and the 1993 Accord

Michael Littlewood
‘The Mother of all Budgets’
Surcharge becomes clawback
The reports

Private Provision for Retirement
The Issues


Private Provision for Retirement
The Options


Private Provision for Retirement
The Way Forward


Agreement on super?
The Accord – August 1993

AN ACCORD

entered into by the Parliamentary Parties of

Alliance  
Labour  
National

on

Retirement Income Policies

August 1993
... but the body language?
NZF’s threat to Accord
The threat materialises

• National & NZF 1996 coalition
  • Referendum on compulsion & removal of surcharge ‘the price’
• Referendum and 1997 Review coincided
• Interim report July 1997
• Referendum result October 1997 – 92:8
Some reflections

• My damascene experience
• What went well
• Mistakes we made
• Lessons for 2019 and beyond
Retirement Income Framework
Aotearoa New Zealand
2003 – 2013
Diana Crossan
THE OBJECTIVES

- Longevity risk pooling
- Citizenship dividend
- Taking responsibility
- Sound fiscal position
- Wellbeing
- Income support
- Ensure equity between generations
- Lifetime consumption smoothing
- Ensure equity between generations
CONTRIBUTORS TO PERSONAL FINANCIAL WELLBEING OF NEW ZEALANDERS
Many of the concerns from the earlier reviews are still concerns today

- cost of NZ Super
- home ownership
- help with decumulation
- overseas superannuitants