



Pensions and Intergenerational Equity (PIE) Hub

Newsletter for August-December 2025.

PIE researches the implications for pensions and inter-generational equity of existing policies, including tax and ACC and possible options for reforms in a time of rapid demographic change.

This is our last newsletter for 2025. We have had a full year of policy work in a very rapidly changing political and economic environment.

It has been alarming to see how standard processes for policy development have been sidelined. Far less scrutiny takes place through select committees and regulatory impact statements with latter often non-existent or released well after the policy has been entrenched. Much of this rushed policy is contributing to a further widening of the wealth and income divide, exacerbated by and contributing to a painful protracted recession. In this environment, plans to expand KiwiSaver contributions to 12% to match Australia are problematic. The issues have been explored by PIE in different social media platforms (see PIE media and publications below).

One of the issues that Honorary Associate Professor Dr Susan St John has been researching this year is the accounting treatment of the state and the implication for fiscal management and equity. We noted in our last newsletter that:

New Zealand was the first country to adopt a formal accounting framework for the Crown under the Public Finance Act (1989) and has gone further than other countries in treating the government as if it was a business. Goals for fiscal indicators like net debt, government spending and tax, all as a percentage of GDP, may however unduly constrain the government. For example, there may be a significant opportunity cost if net debt is not high enough because we don't adequately invest in the real economy that might make the future fiscals more manageable.

New Zealand's two main social insurance programmes, ACC and New Zealand Superannuation (NZS) are treated very differently in the Crown accounts. It is hard to see how this is justified - and it contributes to making fixed targets for debt and size of state even more uncertain and unhelpful. Susan St John suggests there is little justification for ACC's outstanding claims liability sitting on the Crown balance sheet. Moreover, the complex system of different levies for ACC supposedly to reflect the risk of different industries, and experience rating designed to reward and punish safe and unsafe practices is profoundly disconnected from outcomes. It is past time to modernise, simplify and implement meaningful and effective ways to prevent accidents. PIE works with the ACC Futures Coalition on these issues.

Contributing to a sequence of papers, [Gerry Cotterell and Susan St John](#) examine low-income family policies under the Sixth Labour Government of New Zealand, (2017 to 2023). [PIE working paper 2025-4: Family incomes policy under the Labour Government 2017 – 2023](#) assesses how far these policies represent a significant shift from the previous National-led governments' approach, which in turn was a continuance of National's 1990s welfare paradigm introduced in the 1990s. Repeating the cycle, we see many of the advances made by Labour on family and child poverty insufficiently embedded and easily eroded under the coalition government.

In the past few months, PIE has continued to contribute to ongoing discussions over Treasury’s long term fiscal forecasts and met with various groups to discuss policy issues. Susan St John and Chris Casey, convenor ACC Futures Coalition, hosted a meeting for a delegation of parliamentarians and staff from Fiji (November 18th) at the Business School. ¹



Fiji’s ACC scheme is based on New Zealand’s ACC but is currently far more limited in scope and coverage. Then on November 27th PIE contributed to a session on social security at the Public Policy Institute with a delegation of academics from China.

The Retirement Commissioner’s [2025 Review of Retirement Income Policies](#) was launched in Auckland 14th November. It recommends 12 actions to the Government to ensure our retirement income system remains fit for purpose for all New Zealanders and prepares us for the future. The recommendations include improving KiwiSaver settings and extending support during parental leave, and reforms to strengthen long-term stewardship. Most importantly, the review highlights the need for political stability in the form of a cross-party accord.

Recommendation	Rationale	Who benefits
Step 2: Long-term system stewardship		
Put in place a new retirement income cross-party accord	Taking a system-wide view helps avoids piecemeal decision-making and supports joined-up planning across policy domains	All New Zealanders, especially future retirees, by ensuring the system remains stable and trusted

PIE contributed a paper to a Special Issue Policy Quarterly, [Retirement Income Policy](#) and acknowledges the assistance from the Retirement Commission for this paper: [New Zealand Superannuation as a Basic Income](#) Policy Quarterly, Volume 21, Issue 3, August 2025 pages 59-65, Victoria University of Wellington.

¹ Honourable Sakiusa Tubuna (Committee Chair) / Assistant Minister in the Office of the Prime Minister, Honourable Semi Koroilavesau, Honourable Shalen Kumar, Honourable Kalaveti Ravu, Honourable Alipate Tuicolo, Members, Standing Committee on Economic Affairs, Honourable Jone Usamate - Alternate Member, Standing Committee on Justice, Law, and Human Rights, Ms. Awantika Raj - Deputy Committee Clerk, Standing Committee on Economic Affairs, Ms Louchrish Hussain, UNDP Project Lead.

On 4th August, at the Professional Development Conference: 'Navigating Housing and Homelessness in 2025', at Ceramco Function Centre, Glen Eden, Honorary Research Fellow Dr Claire Dale delivered the Keynote presentation, available online at [PIE Presentation 2025-1: Housing for a lifetime](#). This hui was for people working with clients with a housing or homelessness issue. In the presentation, Claire Dale raised two critical areas requiring policy change.

First: update the MSD's policy on access to the Accommodation Supplement (AS), an income- and asset-tested weekly payment to assist people not in public housing with their rent, mortgage or board. The asset cap for access to AS is \$8,100 (single person) and hasn't been adjusted for 30 years. This low asset limit captures recipients in a precarious financial situation, unable to manage, for example, high health costs, dental costs and other expenses. In November the Retirement Commissioner Jane Wrightson said retirees need to be allowed to have more than the current \$8,100 asset limit in their KiwiSaver accounts and still receive the AS. The [2021/22 Review of Retirement Income Policies](#) had recommended the government increase the cash asset threshold to at least \$42,700 per person so low income retirees facing high housing costs could access the AS.

Second: central government reinstates local governments' [Community Housing Provider](#) (CHP) status so they can regain access the Income Related Rent Subsidy, and can continue as they always have to build, own, provide and maintain affordable housing for their seniors.

In November, Claire Dale was involved in consultation on the [draft Carers' Strategy Action Plan](#) discussion document (the Action Plan), which has received initial agreement from Cabinet. Find out more on [MSD's website](#). Consultation on the draft is open until 12 February 2026.

Please note also: [Census information, consultation closes 19 December 2025](#)

PIE media & publications

- St John (2025) [Be afraid be very afraid: our world class retirement system is under threat](#) Substack 3rd December
- St John, S (2025) [Where does National really want to take retirement income policy?](#) Daily Blog, 1st December
- Gerry Cotterell and Susan St John [Family incomes policy under the Labour Government 2017 – 2023](#). PIE working paper 2025-4: examine low-income family policies under the Sixth Labour Government of New Zealand, (2017 to 2023).
- St John, S (2025) [Some thoughts on public sector accounting as if the state is a business](#) Substack 19th November 2025
- St John, S (2025) [Accounting for ACC](#). PIE Briefing 2025-1, EPC, University of Auckland 19th November 2025
- Dale, M Claire, (2025) [Submission 2025-3 Fast-track Approvals Amendment Bill](#). 17 November 2025.
- [The second episode of Juggernaut 2](#): The inside story of the mother of all budgets: The Story of the Fourth National Government includes new and exclusive interviews with Jim Bolger, Ruth Richardson, Jenny Shipley, Susan St John, Helen Clark, Bill Birch, Rob Eaddy, Michael Laws. November 11th 2025
- [Pop-up Hoon on Labour's CGT-lite policy](#). A recording of Bernard Hickey's live video on Substack, 29 October with Terry Baucher, Shamubeel Eaqub and Susan St John, discussing Labour's announcement of a Capital Gains Tax policy.
- St John, S (2025) [Wise Men and low level journalism |Daily Blog](#) 28th October
- St John, S (2025) [Jobseeker changes turn young adults into dependent children – and squeeze households further](#) The Conversation, 8th October

- St John, S et al [20 Economists; Open Letter to Prime Minister and Minister of Finance](#) 4th October, Substack.
- St John, S (2025). [It is time for economists to stop trying to be accountants](#) , Substack 1st October.
- St John, S (2025) [Treasury might have included 'frightening older people to death' as a handy outcome of their dreamed-up alternatives.](#) Daily Blog 28th September
- St John, S (2025) [Time to talk about progressive actions to stop economy haemorrhaging and to rebuild personal balance sheets | The Daily Blog](#), 22nd September 2025
- Dale, M.C., [Housing for a lifetime](#). Keynote presentation at Professional Development Conference in Auckland, 4 August 2025.
- PIE journal publication, St John, S. [New Zealand Superannuation as a Basic Income](#) Policy Quarterly, Volume 21, Issue 3, August 2025 pages 59-65, Victoria University of Wellington
- [Susan St John interview with Dale Husband](#) :It is often suggested that we need to raise the age of retirement to 67, an idea that the prime minister supports. Waitea News 11th August
- St John, S (2025) [Take \\$3billion off the top end of super and redistribute within the welfare budget to reduce poverty and make it fairer. But to tackle all the other problems we need a wealth-based tax.](#) Newsroom, 5th August
- Dale, M.C., [As house prices drop, will the retirement nest egg still be such a safe bet?](#) published 16 July 2025 in [The Conversation](#), republished as PIE Commentary 2025-3,-, republished in Age Concern's Senior Matters 21 July 2025, quoted by Catherine McGregor, 'Mortgage free, not financially free' in [The Bulletin/The Spinoff](#) September 1, 2025.
- St John, S (2025) [MSD consultation: Empowering families: Increasing certainty and preventing debt in the Working for Families scheme. Yeah right.](#) |Daily Blog 7th July