



BUSINESS SCHOOL

Economic Policy Centre

The University of Auckland Business School

Pensions and Intergenerational Equity Hub

Newsletter for March, June quarters 2023

RPRC now operates as [Pensions and Intergenerational Equity \(PIE\) hub](#) of Economic Policy Centre.

PIE media

The 6 monthly newsletter covering January- June including selected **publications, presentations and media**.

PIE Commentaries

We are hosting a number of contributions that relate to Intergenerational Equity concerns in the hope of promoting a deeper debate about distributional issues and how different generations are affected. These can be accessed [here](#) and include contributions from Tim Hazledine, Susan St John, Claire Dale, Nigel Howarth, and Terry Baucher.

New pensions policies

We note that the huge anomaly for those who need an accommodation supplement noted in the last newsletter has not been fixed. Many are ineligible for additional assistance because they fail the asset test. PIE suggested the cash asset threshold for the accommodation supplement be increased from its current woeful level of \$8100 to a more realistic \$150,000. The figure of \$8100 had its origins back in 1988 and has not been raised since. The cash that an older person has from KiwiSaver and other deposits is needed for future retirement needs and should not reduce housing assistance. There was no action in the 2023 budget.

Post budget there was quite a raucous debate on whether the age of entitlement to NZ Super should be raised. Misleadingly it was claimed by the government that their contributions to the NZ Super Fund would make super at 65 affordable. PIE has written extensively to explain how the fund does not guarantee any aspect of NZ Super, see [here](#). PIE says we need a full debate about policy options to ensure we treat all those on low incomes with more generosity and yet have policies that are sustainable and fair in the long term.

There are also growing concerns that too many New Zealanders are not saving for their retirement with over 1 million KiwiSavers not regular contributors. The budget announcement that the government would pay the employer contribution of 3% on Paid Parental Leave was a minuscule nod in the direction of addressing low KiwiSaver balances of women in particular. We argued in the [PIE submission on the Tax bill](#) that spending another net \$4m a year (after admin costs) on this policy was ill-focused and unlikely to benefit any but a tiny handful of higher income women.

In July, National proposed allowing those under 30 to access their [Kiwisaver balances to pay for residential bonds](#). As noted in the interest.co.nz article, PIE comments from Susan St John described the policy as “stop-gap, short-termism”. It is important to protect the balances of KiwiSaver for retirement and find other solutions for low income people struggling with bond payments. PIE

notes that there are already rigorous hardship access provisions for KiwiSaver so that funds are released only as a last resort. A separate category for housing bonds is not needed.

PIE in the media Jan- June 2023

Articles:

- St John, S and O'Brien M (2023) [Modelling income adequacy for those on benefits](#) Report based on a welfare model developed for CPAG by Dr Yun So, Economics Policy Centre, University of Auckland.
- Dale, M.C. (2023) Member of MSD expert advisory group. See the press release on the Social Wellbeing Agency website: [here](#). Read the report here: *Older people experiencing vulnerability and multiple disadvantage in New Zealand*.
- St John, S (2023) [NZ's housing-market drives inequality- why not just tax houses like any other income](#). The Conversation, 21st June 2023, also Stuff, interest.co.
- Dale, M.C. Radio Waatea Tuesday 13 June 2023 <https://waateanews.com/2023/06/13/dr-claire-dale-research-fellow-economics-retirement-policy-and-research-centre/> Why it would be grossly unfair to delay everyone's access to the pension.
- Dale, M.C.: Stuff.co.nz & <https://www.thepost.co.nz/a/nz-news/350017173/why-it-is-fair-and-wise-to-retain-eligibility-to-nz-super-at-age-65>: Why it is fair and wise to retain eligibility to NZSuper at age 65, 2 June 2023.
- St John, S, O'Brien, M (2023) [Fix "Working For Families" income assistance for children in low-income families](#), CPAG 2023 Policy Brief series
- O'Brien, M, St John, S, (2023) [Benefit income adequacy](#) CPAG 2023 Policy Brief series
- St John, S, (2023) [Outdated income relationship rules](#) CPAG 2023 Policy Brief series
- St John, S (2023) [Let's have some straight talking on tax](#). Interest.co.nz. 25 April 2023
- St John, S. (2023) [A prayer to the god of small things](#), Daily Blog 24th April 2023
- St John, S (2023) [Let them eat cake](#) Daily Blog 23rd March
- St John, S. (2023) [What comes next Labour? Time for transformational change- PLEASE Lets just do it this time](#). Daily Blog 10th February 202
- St John, S (2023) [We need to talk about the New Zealand Super Fund](#), Daily Blog 1st February
- St John.S (2023) [Flying blind into the recession](#) Daily Blog 27th January
- St John,S (2023) [Serious deficiencies in the social policy processes](#) Daily Blog 7th January
- St John, S (2022) [Basic Income for the old and the young in New Zealand](#). PIE Briefing 2022-2

PIE in media. Selected comments, mentions, radio interviews and TV

St John, S: TV Newshub, [Super debate rages: Expert says raising age 'very blunt instrument', doesn't tackle issue](#),

St John, S: Waatea interviews, <https://waateanews.com/2023/05/16/susan-st-john-faculty-of-business-and-economics-and-economics-advisor-to-child-poverty-action-group-2/Whānau ora model for child poverty action>.

St John, S: [Green tax plan could fix poverty trap - Waatea News: Māori Radio Station](#)

St John, S. [Stuff Punishing benefit claimants harms children, advocates warn | Stuff.co.nz](#),

St John, S: NZ City, [Hopes the Greens' proposed changes to Working For Families will better incentivise work effort](#).