

RPRC Update

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International co-operation:

On 14 October 2019, RPRC met with the Irish Life Delegation, including Paul O'Neill – Corporate Strategic and Innovation for Irish Life Corporate; Paul O'Connor – Operations and Administration; Kenneth Lynch – IT system and Design Considerations; and Shane O'Farrell – Head of Proposition: Product Design and Auto Enrolment considerations. The meeting was facilitated by David Harris, Managing Director, TOR Financial Consulting Limited, UK, and RPRC Associate.



The purpose of the Irish Delegation's visit was to develop a deep understanding of the New Zealand Retirement System in general and KiwiSaver in particular, as Ireland is preparing to introduce a similar auto-enrolment saving scheme.

As well as the RPRC sharing our knowledge as requested, the Irish Delegation reciprocated by sharing their knowledge of the current and proposed Irish retirement systems.

New Retirement Commissioner appointed

Jane Wrightson has been appointed as the new Retirement Commissioner, based in the Commission for Financial Capability (CFFC) for a 3 year term, beginning 10 February 2020. Currently Chief Executive of NZ On Air, she is a chartered member of the NZ Institute of Directors and a trustee of Digital Media Trust, which set up the screen history and culture site, 'NZ On Screen'.



Commerce and Consumer Affairs Minister Kris Faafoi announcing the appointment on 1 November, said:

Jane has strong leadership, management and governance skills which will help champion improved financial capability for all New Zealanders and provide advice on retirement income policy issues. NZ On Air connects New Zealanders and helps reflect what it is to be a New Zealander. It supports inclusion and embraces our diversity through the local content it funds. The abilities Jane has shown in leading that work will neatly fit into the work she'll be doing with the CFFC on a national strategy to help New Zealanders get ahead financially.

RPRC welcomes the Retirement Commissioner, and looks forward to working with her.

RPRC joins KASPANZ in suggesting a change in the CFFC focus:

The Commission for Financial Capability needs to focus on Retirement issues, engaging in research both contracted and internal, in order to be the source of authoritative analysis on Retirement Income issues.

The twice rebranding of the Commission name has marginalized the Commission into a meaningless entity; New Zealanders have no awareness of the Commission name or role.

See KASPANZ (KiwiSaver, Annuities, New Zealand Superannuation, Protection Society Incorporated) Top 15 Retirement Income issues for New Zealand in 2019 [here](#).

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Positive Ageing Strategy: *Better Later Life He Oranga Kaumātua 2019 to 2034.*

Released 1 November by Seniors Minister Tracey Martin, the Positive Ageing Strategy has 5 key areas for action, based on feedback from nationwide consultation:

- achieving financial security and economic participation
- promoting healthy ageing and improving access to services
- creating diverse housing choices and options
- enhancing opportunities for participation and social connection, and
- making environments accessible.

An action plan will be developed based on the strategy's key areas. Progress will be tracked by 2-yearly reporting on what has been done. The Minister said:

We've already introduced changes to the SuperGold Card to stretch peoples' income, and the Age-Friendly community programme is underway as is reform of the Residential Tenancy Act. We're also actively looking at what it takes to allow older people to remain in paid work.

The Beehive press release is [here](#).

The link to the Positive Ageing Strategy is [here](#).

The link to the summary of the strategy is [here](#).

Positive ageing initiatives are happening in many communities:

Age-Friendly Spreydon-Cashmere Action Plan

A committee has been working on the Action Plan for more than a year, and will take it to the Spreydon-Cashmere Community Board for sign-off once it is finished. The plan's comprehensive focus is on improving outdoor spaces, buildings, transportation, housing, social participation, civic participation, employment, respect and social inclusion, communication, information and health services. The aim is to promote the wellbeing of older people throughout the Spreydon and Cashmere wards which have one of the highest populations of elderly residents in the city.

See the story in the Otago Daily Times, 16 October, [here](#).

Franklin Positive Ageing Expo: Life Begins at 65

On Friday 18 October, the 14th Franklin Positive Ageing Expo was held at the Pukekohe Indian Association Community Hall. As well as advice on residential care options and alternatives, resources and equipment for everyday living with a range of impairments or disabilities, information on volunteering, support to and for carers, and professionals providing health screening and advice on healthy lifestyles; line dancing, Tai Chi, and a range of hobbies, crafts, sports, and exercises were showcased.

Objectives of the Franklin Positive Ageing Expo are to:

- provide information and raise awareness of services
- increase opportunities for social interaction
- increase opportunities for intellectual stimulation
- increase opportunities for healthy exercise
- raise awareness of healthy lifestyle options
- reduce social isolation
- improve networking between service providers.

Admission and refreshments were free, and free transport was available for those unable to get to the Expo by other means.

But Positive Ageing isn't happening in Auckland City: e-scooters make footpaths unsafe and make Auckland extremely age-unfriendly

RPRC's M.Claire Dale's OpEd NZHerald, 21 October:

Auckland Council welcomed electric scooters onto footpaths in October 2018, then in May 2019 announced its intention to become 'age-friendly'. The utter incompatibility of e-scooters on pavements and age-friendly environments escaped the Council decision-makers.

After the first [e-scooter death in Auckland](#) in June 2019, Transport Minister Phil Twyford said "We are going to regulate to ensure the users of these scooters can share public spaces in a way that's safe and reasonable for everyone." While we wait for those regulations, the frequency and severity of accidents involving the e-scooters continue to escalate.

See the full article [here](#), reprinted by University of Auckland with permission of NZHerald.

A virtual Centre for Healthy Ageing in development, and real rental options for healthy ageing in crisis

Joyce Cook Chair in Ageing Well, Professor Ngaire Kerse is developing a virtual centre in which experts share experiences to build a critical mass about ageing in New Zealand. Key areas to address include nutrition, physical activity, loneliness and housing. These issues will be critical as the number of people aged 85+ grows from 85,000 now to about 385,000 by 2060.



One solution Kerse proposes for the growing number of ageing renters is 'flattening together'. Abbeyfields and Haumarū Housing both offer affordable rental homes to seniors in need of safe, permanent housing.

Within their local Auckland community, Haumarū's newest building in Henderson, designed for the lifestyle necessities of older people, provides 40 homes for singles or couples. Each one-bedroom, self-contained apartment has a floor area of 45 sqm plus a terrace.

Haumarū Housing Limited, a joint venture between Auckland Council and The Selwyn Foundation, is currently

managing over 1,400 units. While community care is not part of the package, purpose-build accommodation, with shared community space, assists with addressing loneliness.

At Abbeyfields, there is no capital entry charge and the rent for each self-contained studio is affordable for those receiving NZ Super. As well as board and lodging, the rent covers power, food, and the house's maintenance and overhead costs. Overheads include a housekeeper who shops for and prepares the 2 main meals each day, and looks after the communal lounge, dining room, laundry and other shared areas. Abbeyfield houses are developed by Abbeyfield Properties, a subsidiary of Abbeyfield New Zealand. There are currently 13 Abbeyfields houses in New Zealand, with 3 more planned. Each house provides for 11 to 13 residents.

These initiatives, while commendable, are not meeting the increasing need for safe, fair, suitable, affordable rental accommodation for older people in Aotearoa.

GoodReturns: Acting Retirement Commissioner lends support to KiwiSpend

Acting Retirement Commissioner Peter Cordtz lends support to the idea of KiwiSpend – a Government-administered annuity to help people turn KiwiSaver savings into an income, proposed by Susan St John and M.Claire Dale of the RPRC in a research paper prepared for the 2019 Retirement Incomes Policy Review: 'Decumulation: time to act', available [here](#).

St John and Dale suggested KiwiSaver members could be defaulted into KiwiSpend at 65. They could opt out if they chose, but those who stayed in would receive up to \$12,000 a year (based on their savings) on top of NZ Superannuation, and enjoy the peace of mind of a guaranteed income stream. The KiwiSpend annuity would incorporate an add-on that would be activated if the annuitant entered a period of high health costs, such as having to go into rest home care. This design protects other assets from being depleted to the low threshold required before state support for care kicked in. The GoodReturns.co.nz article 22 October 2019 is available [here](#).

Woman of Impact

8 November 2019, M.Claire Dale was named as a [Woman of Impact](#) by [impactmania](#) for her work as founder of **Ngā Tāngata Microfinance**. Impactmania is an award-winning program development firm that features and connects people and projects to accelerate cultural, social, and economic impact.

Dr. M. Claire Dale is a Research Fellow with the Retirement Policy and Research Centre in the Department of Economics at the University of Auckland. Her research interests include retirement policies, pension portability, long-term care provision, the economic effects of gender on retirement options, intergenerational equity, and child poverty. She is on the board of the Child Poverty Action Group (CPAG) and the founder of [Ngā Tāngata Microfinance](#), which translates to "for the people microfinance." Over the last decade she has helped thousands of people improve their financial situation.

(Continuing) Gender Penalty in Retirement, University of Auckland Spring Lecture Series, 28 November

RPRC's Research Fellow M.Claire Dale's lecture retitled "(Continuing) Gender penalty in retirement", began with noting Prime Minister Jacinda Ardern's disappointment that there is still an almost 10% gender pay gap in New Zealand. The lecture went beyond the pay gap to focus on the gender pension gap. In New Zealand in 2014, 14% of women aged 65+ were living in poverty, compared to only 6.6% of men in the same age range. In Australia, and the UK, older women are the fastest growing group in poverty.

While NZS is generous compared to other welfare benefits, for someone living in rental accommodation, even with the addition of the Accommodation Supplement, it can be hard to afford all the necessities.

This means accumulation prior to retirement is crucial to ensure health and comfort. The main sources of the gender pension gap were explored, and solutions proposed.

The ppts of the lecture are available [here](#).

Human Rights Commission Pay Transparency Campaign: <https://www.demandpaytransparency.org.nz/>.

The 2019 Sir Owen Woodhouse Memorial Lecture, Wellington Law School, 16 October, Auckland Law School, 22 October.



RPRC's Director Susan St John

delivered the 2019 Sir Owen Woodhouse Memorial Lecture in Wellington and Auckland Law Schools. The lecture, "*Reflections on the Woodhouse legacy for the 21st century*", commemorates the life of one of our most distinguished judges and citizens, Sir Owen Woodhouse: President of the Court of Appeal, President of the Law Commission, Chairman of the Royal Commission on Compensation for Injury that recommended a no-fault accident compensation scheme and laid the foundations for the ACC.

[His] legacy can be described as a 'paradigm shift' in the thinking around compensation for accidents, prevention and rehabilitation. The 1967 report provided a no-fault compensation benchmark blueprint for New Zealand, and the subsequent ACC legislation has been admired if not fully adopted by other countries. Enduringly today, the Woodhouse principles and thinking are influencing the next paradigm shift that is occurring in welfare. The widespread reform needed requires relinquishing 19th century thinking to embrace a modern inclusive wellbeing-focused welfare state fit for the changing roles of women, work, and uncertainty in the 21st century.

Video of the lecture is [here](#).

PPTs of the lecture are [here](#).

A copy of the supporting paper is available [here](#).

RPRC Submission: New Zealand Superannuation and Veteran's Pension Legislation Amendment Bill

The RPRC welcomes the removal of the spousal deduction... We note the long-term failure to address this inequity and urge the select committee to recognise that There is a strong case in justice for compensation paid to those who have been affected.

RPRC also welcomes aspects of this bill that will improve the design of NZS. For example, it is pleasing to see that "any portion of a government-administered overseas pension that derived from voluntary contributions will be exempted from the 'direct deduction' policy".

However, the RPRC recommends extension of the approach under section 70 to abolish the deduction of those parts of an overseas pension equivalent to KiwiSaver contributions, from the recipient's entitlement to a New Zealand benefit or pension....

The RPRC cautions that the proposed non-qualified partner (NQP) policy does not protect underage spouses who are not in paid work and may be carers. At very least to protect the NQP in a relationship with an NZS recipient, the RPRC recommends individualising the Supported Living Payment and the Jobseekers Benefit, even if it is confined at first to people over 60 years and under 65.

The link to the bill is [here](#).

RPRC's submission is available [here](#).

Oral submission, 16 December 2019

to precipitate a crisis in affordability. Revising the design of NZS could provide a solution.

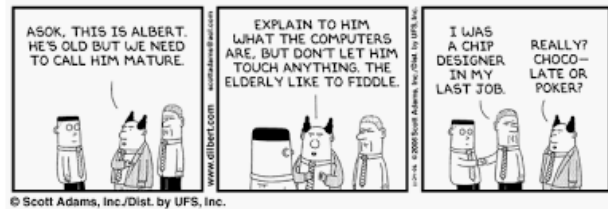
The ppts are available [here](#).

Workplace ageism, racism sexism

Trade Me's annual survey on workplace equality found that 45% of 1,700 people interviewed believed discrimination existed in their workplace and had witnessed some form of prejudice in the last 12 months. One in four said they felt personally discriminated against at work this year.

The survey found the person that respondents believed was most likely to discriminate was a manager (73%) followed by a peer (19%). Age was the most common form of perceived prejudice (23%), followed by gender (22%) and ethnicity (20%). A high number of respondents (71%) thought their age would affect their chance of getting a job, which rose to 88% of respondents aged over 55.

Read more of the Stuff.co.nz article [here](#).



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In the fourth quarter of 2019, 14 new reports were added to PensionReforms, see [here](#).

The most recent one looked in detail at all the reviews that have taken place in New Zealand since the 1992 Task Force on Private Provision for Retirement. The report's theme was to see what, if anything, had really changed over the last 27 years and what might need to change with the review process itself.

See *Looking back to move forward - A Review of Past Reviews of Retirement Income Policies in New Zealand* by Malcom Menzies [here](#).

Publication of the Retirement Commissioner's current three-yearly review is expected before the end of 2019.

There are now 819 reports that have PensionReforms' abstracts. The reports cover 71 countries (and country groups) and are indexed (and searchable) by 176 topics.

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23rd Annual Colloquium of Superannuation Researchers, CEPAR & Risk and Actuarial Studies, UNSW Business School, Sydney 2-3 December 2019

RPRC's Director Susan St John presented "Intergenerational impacts: The sustainability of New Zealand Superannuation". This addresses the 2019 Retirement Income Policy Review term of reference 6: "An assessment of the impact of current retirement policies on current and future generations, with due consideration given to the fiscal sustainability of current New Zealand Superannuation (NZS) settings."

St John highlighted the very attractive features of NZS, including: no disincentive to earn or save, prototype of a basic income, and high and growing labour force participation of 65+. While NZS is good for women non-contributory basis, some old fashioned discrimination on marital status remains. The PAYG design means the rapid growth in the proportion of those qualifying for NZS is likely

RPRC media mentions and public presentations:

8 October 2019, Newstalk ZB, Heather du Plessis-Allan interviews Susan St John about the Retirement Income Policy Review.

8 October 2019, Stuff.co.nz, Susan Edmunds quotes Susan St John and M.Claire Dale in "[Retirement Commissioner: Higher tax rate for working pensioners worth considering.](#)"

9 October 2019, RNZ Morning Report, Susan St John interviewed in "[How the surplus should be spent](#)".

9 October 2019, Marlborough Express, Susan Edmunds quotes Susan St John and Claire Dale in "[Should wealthy pensioners pay more tax?](#)" Also **Waikato Times**, "[Should wealthy pensioners pay more tax?](#)" **Nelson Mail**, "[Should wealthy pensioners pay more tax?](#)", **Taranaki Daily News**, "[Should wealthy pensioners pay more tax?](#)" **The Dominion Post**, "[Should wealthy pensioners pay more tax?](#)" **Manawatu Standard** "[Should wealthy pensioners pay more tax?](#)" **The Press, Christchurch**, "[Should wealthy pensioners pay more tax?](#)" **Southland Times**, "[Should wealthy pensioners pay more tax?](#)" **Timaru Herald**, "[Should wealthy pensioners pay more tax?](#)"

12 October 2019, The Nation TV3, [Government surplus should actually be a \\$30 billion deficit](#) - Susan St John with Sir Roger Douglas.

15 October 2019, Newshub OpEd, Michael Littlewood writes "Sir Roger Douglas wrong to say Government should have a '\$30 billion deficit'."

16 October 2019, Press Release, Ngā Tāngata Microfinance and CPAG join call for [debt forgiveness](#).

17 October 2019, RNZ, M.Claire Dale quoted in *Govt won't make financial hardship grounds for MSD debt write-off*.

17 October 2019, Morning Report, M.Claire Dale quoted in *No rule change planned for beneficiary debt write-offs*.

21 October 2019 NZHerald, OpEd, M.Claire Dale writes *'Walkers losing the e-scooter battle'*.

22 October 2019, GoodReturns.co.nz, Susan St John and M.Claire Dale quoted in *'Retirement Commissioner: Consider KiwiSpend'*.

22 October 2019, Daily Post Rotorua, NZHerald, Hawkes Bay Today, Tamsyn Parker quotes Susan St John and M.Claire Dale in "Proposal to pay yourself up to \$12k a year in retirement". "Proposal to pay yourself up to \$12k a year in retirement".

22 October 2019, Stuff.co.nz, Rob Stock quotes Susan St John and M.Claire Dale in 'Should your KiwiSaver be turned into 'KiwiSpend' income-for-life when you hit 65?' Also

Timaru Herald, 'KiwiSpend' could eke out retirement income". **Waikato Times**, 'KiwiSpend' could eke out retirement income". **Manawatu Standard**, 'KiwiSpend' could eke out retirement income. **The Press, Christchurch**, "KiwiSpend' could eke out retirement income". **Southland Times**, 'KiwiSpend' could eke out retirement income. **The Dominion Post** [KiwiSpend' could eke out retirement income](#).

22 October 2019, Newshub, Vita Molyneux quotes Susan St John and M.Claire Dale in "[Drip-feed' retirement scheme proposed to stop Kiwis outliving their savings](#)."

23 October 2019, Wairarapa Midweek, editorial quotes Susan St John and M.Claire Dale in "Novel approaches part of Retirement Income Review."

31 October 2019, Howick Pakuranga Times, editorial quotes Susan St John and M.Claire Dale in "Is KiwiSpend the answer in retirement?"

31 October 2019, Botany & Ormiston Times, editorial quotes Susan St John and M.Claire Dale in "Is KiwiSpend the answer in retirement?"

4 November 2019, DailyBlog, Susan St John writes "[Winston's trial this week should be a wake-up call for everyone.](#)"

13 November 2019, NewsRoom, Susan St John writes "[The real problem in Winston's case](#)".

18 November 2019, CPAG Summit, Where to from here, the Whakamana Tangata Report, Otago medical school, Wellington, Susan St John presents "[The Earned Income Tax Credit](#)".

20 November 2019, Stuff.co.nz OpEd, Michael Littlewood writes "[It's for taxpayers of the day to decide what to do with the pension](#)".

21 November, NewsRoom, Laura Walters quotes Susan St John in "[Frustration over Government welfare inaction](#)."

25 November 2019, RNZ, BFM, "Use of relationship status in the welfare and superannuation systems" Open letter to Jacinda, Panel includes Susan St John, Action Station, AAAP, CPAG.

6 December 2019, ADLS (Auckland District Law Society Journal), M.Claire Dale interviewed in [Courtroom battle looms over e-scooters](#).

16 December 2019, Susan St John oral submission to the Social Services and Community select committee on New Zealand Superannuation and Veteran's Pension Legislation Amendment Bill.



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