

ISI Report Urges Action On Super

A major investment and savings group has today issued a report calling for the Government to place the issue of retirement savings on its agenda as a matter of high priority.

The Investment Savings & Insurance Association (ISI) commissioned *The ISI Report on Retirement Savings: A Wake-Up Call* after becoming concerned that following last year's referendum, the inference being drawn was that New Zealand had plenty of time to sort out super policy.

"Our objective is to put the super debate back on the table and to demonstrate to Government both the need for priority action and the broad policy framework which needs to be put in place," said Roger Gill, Chief Executive of the ISI.

The Report concludes that policies to promote growth, contain government spending and control the state pension bill must be adopted if New Zealand is to avoid tax increases or an impoverished elderly population in the future.

"While the Report does not identify specific retirement policy solutions, it does show the Government a path forward by outlining further research needed to develop specific solutions," Roger Gill said.

"It says that maintaining the status quo could lead to large costs being imposed on future generations, and that a multi-faceted policy approach offers the best chance of success, at the least cost.

"The Report also emphasises that the consequences of putting off decisions will require far more drastic remedial action in the future than would be the case if pre-emptive steps were taken now.

"The consequences of inaction to existing super policies could include higher public debt, increased inflation, higher taxes and a blowout in the balance of payments," said Mr Gill.

The report was compiled by economist Gareth Morgan, consulting actuary Jonathan Eriksen and former finance minister David Caygill.

The ISI is an industry association representing 29 major institutions in the financial services sector. Its members provide financial services for some 1,500,000 New Zealanders, including management of around \$20 billion in investments.

Roger Gill
Chief Executive
ISI