

BACKGROUND

The Project Team for the ISI Report on Retirement Savings

18 June 1998

Roger Gill Chief Executive, ISI

Prior to the merger of the LOA (Life Office Association) and the IFA (Investment Funds Association) Roger was Executive Director of the IFA. From 1991-93 he was Chief Executive of the National Party. From 1982-91 Roger was Executive Director of the NZ Stock Exchange. He holds Bachelor of Arts and Law degrees from Victoria University.

Ross McEwan Chairman, ISI

Ross has over 11 years of senior management experience in the financial services industry. He is currently Chief Executive New Zealand for National Mutual, heading up its risk, lending and funds management businesses following the recent restructuring which drew together National Mutual Financial Services, NMF, and National Mutual Health. Prior to joining National Mutual he held positions with Unilever and Dunlop New Zealand.

Paul Fyfe Deputy Chairman, ISI

Paul is Managing Director of Armstrong Jones (NZ) Ltd. He has been involved in the investment management industry since 1968. Prior to joining Armstrong Jones Paul was General Manager of Silmanco Services (previously responsible for the investment management and administration of the SIL Mutual Fund).

Gareth Morgan Managing Director, Infometrics

Gareth heads Infometrics, a firm specialising in economic forecasting and analyses of the New Zealand and Australian financial, labour and product markets. He conducts more than 150 seminars a year to private and government executives and is frequently engaged as a keynote speaker to industry conferences. He holds a BA(Hons) in Econometrics, Development Economics, Macroeconomics and Monetary Economics, and a PhD in Economics from Victoria University.

Jonathan Eriksen Managing Director, Eriksen & Associates

Jonathan is an Actuary and Employee Benefit Consultant with 25 years experience in NZ. He specialises in superannuation and investment advice to Trustees and advises investment managers on product design

David Caygill Partner, law firm Buddle Findlay

Born and educated in Christchurch, David graduated with a BA and LLB(Hons) from the University of Canterbury. He represented his home district of St Albans for 18 years, including six years as a Minister of the Crown (1984-90). After leaving Parliament in 1996 David returned to his former profession as a lawyer. He is a partner in the national firm of Buddle Findlay.

ISI Report Aims To Stimulate Debate Over Super

Previous studies of retirement income policy have presented too optimistic a view of the country's ability to meet the expected costs of the impending surge in numbers receiving NZ Superannuation.

The simple fact is that, while we have time to address the hard questions, we must use that time constructively, not as an excuse for inaction.

The objective of the ISI (Investment Savings & Insurance Association of NZ Inc) in commissioning their report on retirement income policy, is to illustrate the type of priority action and the broad policy framework needed, if we are to manage the risks associated with a rapidly ageing population.

With the 'baby boomer' generation edging nearer to retirement age, the ISI Report is intended to provide a 'wake up call' to politicians and the public alike that we must not squander the current 'window of opportunity.'

The ISI report builds and expands on the work undertaken in 1992 and 1997 by the Todd Task Force and the Periodic Reporting Group respectively. But while the Todd reports placed their major emphasis on fiscal (i.e. affordability and sustainability) considerations, the ISI study considers fiscal impact to be just one part of the equation.

The report is expected to outline key policy areas which the Government could move in to manage the economic risks we will need to address in the future.

The report will also contain substantial new economic research, based on but enhancing the Treasury model used to plot the future fiscal cost of NZ Superannuation.

Biographical details

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About the authors:

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For further information contact:

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A Brief History of Public Pension Policies

This backgrounder gives a brief summary of the developments in retirement income policy in New Zealand. What it shows is that NZ has experimented with almost every variation in the delivery of public pensions from income-tested old age pensions to universal pensions, from tax incentives to a compulsory contributory scheme.

date	event
1898	Introduction of a means-tested, old age pension to those aged 65 and over
1915	Tax exemptions for life insurance extended to superannuation contributions
1938	Means tested old age pension at 60, small universal pension available from age 65 Social security tax of 1/6d in the pound introduced to pay for scheme, but did not meet annual costs (fund abolished in 1964 and tax incorporated into PAYE rates)
1975	Introduction of compulsory contributory superannuation scheme
1976	Compulsory scheme abolished and replaced with National Superannuation, a universal pension available to all those aged 60 and over, without means or retirement test
1985	Surcharge on additional income introduced Tax incentives for superannuation savings removed
1991	Surcharge on additional income increased age of eligibility increased to 65, to be phased in over 10 years
1992	Todd Task Force on Private Provision for Retirement
1993	Multiparty Accord on Retirement Income Policies signed
1997	Release of PRG reports Referendum on Compulsory Superannuation Savings Scheme
1998	April: Surcharge abolished June: Release of the ISI Report on Retirement

The ISI (Investment Savings and Insurance Association)

The ISI is an industry association representing 30 major institutions in the financial services sector. Its members manage around \$20 billion in investments for some 1,500,000 New Zealanders.

The ISI has three broad corporate objectives:

- To promote and enhance the interests of its members;
- To promote the industry as a medium of investment and protection for New Zealanders;
- To enhance the profile of both the industry and its members.

The Association was formed in October 1996 through a merger between the Investment Funds Association of New Zealand (IFA) and the Life Offices Association (LOA).

The LOA had been the representative body for the life insurance industry, while IFA acted for the managed fund industry. The merger recognised that the evolution of the financial services industry had created a substantial overlap in the interests of the two bodies. It was decided that combining the interests of both bodies would be a better way of achieving the objectives of the insurance and savings industries.

Chairmanship of the ISI is rotated among the CEOs of the 30 full members, and is for a term of two years. Ross McEwan, Chief Executive of National Mutual is the current chairman. Deputy chairman is Paul Fyfe, General Manager of fund manager Armstrong Jones.