

17 February 2003

PERSONAL SAVINGS IS ALSO AN IMPORTANT ISSUE

"The National Party announcement on Friday 14 February 2003 that *"there would be four main issues it would put its name on this year, economic growth, welfare dependency, one standard of citizenship and education"*, will be received with dismay by New Zealanders," said Vance Arkinstall, CEO, Investment Savings and Insurance Association (ISI).

"No one would argue with the importance of the 4 issues identified, but the bulk of New Zealanders would also rank the need to improve long term personal savings levels as a serious structural issue requiring urgent debate," said Mr Arkinstall.

"New Zealand has an ageing population with an increasing number and proportion of the total population heading towards retirement age. This trend will be particularly marked after 2010 when post World War II baby boomers begin reaching age 65. We are not alone. Many countries face a similar problem. The difference however, is that other countries politicians are already engaged in developing policies to address this problem."

"New Zealand has a window of opportunity to develop appropriate policies. This window will shortly begin to close and the problem will become that much more difficult. Finding a New Zealand solution requires all political parties to enter the debate and seek constructive solutions that provide certainty and security for New Zealanders. This is a serious problem, it is not something that can be addressed in the short term. It requires long-term planning and this planning must proceed as a matter of urgency," Mr Arkinstall said.

"The ISI would strongly urge the National Party to add the importance of long-term savings policies to its list of priority issues. The country cannot afford to delay."

Ends

Vance Arkinstall
Chief Executive
ISI