

BACKGROUND

11 June 1998

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

Roger Gill Chief Executive, ISI

Prior to the merger of the LOA (Life Offices 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, NMFM, 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).

About the authors:

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.

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.

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