**Press release – overall report**

**‘Informing the 2019 Review – 133 questions that New Zealand needs answered’**

by

**Michael Chamberlain** – an Auckland-based actuary and investment adviser.

**Michael Littlewood** – now retired but an active participant in public policy issues associated with saving and superannuation and a co-founder of the University of Auckland’s Retirement Policy and Research Centre.

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Two years ago, Michael Chamberlain and Michael Littlewood published what they suggested was the review of retirement income policies that New Zealand should have received from the Retirement Commissioner in 2016 (*The Missing 2016 Review – building trust for life beyond work)*. By December this year, the Retirement Commissioner must complete the next triennial review. The terms of reference for the 2019 Review were published earlier this year and listed eight general topics (available [here](https://cffc-assets-prod.s3.ap-southeast-2.amazonaws.com/public/Uploads/Retirement-Income-Policy-Review/84d0b92a1d/2019-review-of-retirement-income-policies.pdf)).

Chamberlain and Littlewood have re-cast their 2016 report and have now published *Informing the 2019 Review – 133 questions that New Zealand needs answered*. This latest report is available online at [www.alt-Review.com](http://www.alt-review.com/) and is intended to help the 2019 Review by identifying the key issues, detailing what evidence is available (local and international) and then listing the questions that need answering on all aspects related to saving, pensions and retirement incomes, and the review process itself.

In 2017, the authors described the Retirement Commissioner’s 2016 report as an “evidence-free zone”. They now say that “if the 2019 Review is to achieve anything, evidence-gathering should be at its foundation. Unfortunately, the Retirement Commissioner doesn’t have the time and probably won’t have the resources to deliver the review that New Zealand needs. However, the 2019 Review can recommend that we start to gather data to form the basis for future, evidence-led, policy decisions.”

As in 2016, Chamberlain and Littlewood’s report has 22 sections covering the key parts of New Zealand’s overall retirement income framework. All the information has been updated from 2017 and questions have been added to or re-framed to take account of recent developments.

For example, the Tax Working Group’s recommendations for new tax breaks for KiwiSaver are analysed and labelled inconsistent and lacking any evidential basis. Similarly, the May Budget’s unheralded changes to New Zealand Superannuation are also criticised as failing the evidential test.

Chamberlain and Littlewood label the terms of reference for the 2019 Review as “in the same timid mould as its 2016 equivalent” and they do not expect much more than has been produced by the earlier six equivalent reviews[[1]](#footnote-1). “That will be a wasted opportunity”, they say.

To put their 2019 report into context, the first section lists the authors’ nine top priorities.

Each of the following 21 sections describes one particular issue and there are many more issues than the eight that the Terms of Reference identify. Each of the 21 sections ends with a series of questions that New Zealanders need to discuss before we can settle public policy on that issue. Most require gathering data to inform the issues. Chamberlain and Littlewood suggest that, without the necessary evidence, New Zealand cannot make the robust decisions that are now needed. How for example, they ask, can the Retirement Commissioner examine the impact of “declining rates of home ownership” when there is actually no reliable evidence of that happening?

The authors say that their report’s overarching theme, as in 2017, is about what governments can and cannot do:

* There is a range of things that only the government can do – it should do those things.
* There is another range of things that, based on the evidence, the government seems unable to do - it should stop doing those.
* Finally, there are things that the government is doing but, based on the evidence, seem not to be effective – it should also stop doing those.

“This is evidence-based policy-making - if it works, based on the evidence, then do it; if it doesn’t work, stop doing it. If we do not know whether it works, gather the evidence before deciding what to do. For New Zealand, this approach to policy–making on retirement incomes would constitute a change but it’s time New Zealand tried it. Before that process can even start, there is a lot of data to gather.”

Chamberlain and Littlewood say that the Retirement Commissioner’s 2016 Review did not achieve much more than the preceding five similar reviews. Without a radical change in approach, they do not expect the 2019 Review to make the progress that New Zealand needs to make on a topic that, directly or indirectly, will affect every single New Zealander. They suggest that New Zealand deserves better.

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**Report accessible at:**

[www.alt-Review.com](http://www.alt-review.com/)

1. The Periodic Report Group (1997); Periodic Report Group (2003); Retirement Commissioner’s Review of Retirement Income Policy (2007); the 2010 Review of Retirement Income Policies; the Review of Retirement Income Policies (2013) and, most recently, the 2016 Review of Retirement Income Policies. [↑](#footnote-ref-1)