

## Retirement Commissioner welcomes Treasury report

Retirement Commissioner Diana Crossan says today's release of Treasury's Statement on the Long-term Fiscal Position of the country's future finances provides valuable information that can be used to help address funding issues relating to the ageing population.

The report indicates a significant and unsustainable rise in public debt over the next 40 years if there is no change to the current way we do things. The situation is compounded by the ageing population.

"This update sets out different scenarios if government debt and spending are controlled and public sector productivity is increased. It provides a basis for us to start talking about what can be done to ensure a sustainable financial future.

"Part of that debate is the future affordability of New Zealand Superannuation which is predicted to rise from 4.3 per cent to 8 per cent of GDP by 2050. Affordability, as well as stability, adequacy, fairness and equity of New Zealand Superannuation will be key issues for my report to government next year on retirement income policy."

Diana Crossan says the Treasury update gives scenarios of how New Zealand Superannuation can be afforded in the future.

"No one is recommending any particular change at this point. What we have in this update are some possible options that need careful consideration.

"We can also expect to see changes in the workforce in the future if more people want to work beyond 65. The New Zealand labour market is reasonably flexible, however there may be areas needing change for this particular age group. We need to look at what these changes might mean for employers and employees.

"New Zealanders will be retiring in greater numbers than ever before and this creates issues and opportunities. We need to make sure we are ready for them," said Diana Crossan.

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