We don't know how lucky we are.

Contribution to the Retirement Commissioner's 2016 review of retirement incomes.

I went to Ireland recently at the invitation of Insurance Ireland to showcase KiwiSaver as that country grapples with out-of-date retirement incomes policies.

Ireland, a country about the same size as New Zealand, still has a plethora of small workplace pension schemes. There are about 160,000, some of dubious quality and many no doubt not particularly transparent or accountable. People may end up with several pension pots because they change jobs and this is hard to manage. But worse, coverage is under 50% of the workforce and women's participation is very low. Tax concessions remain an embedded part of the system.

For women, the outcomes of Irish policies appear quite disastrous. I was shocked to discover how women in Ireland are disadvantaged by the complex and confusing rules for the Irish state pension. Confusingly there are two state pensions: a contributory one that needs a complex history of contributions for a full pension, and a lower alternative non-contributory pension that is stringently income and asset tested.

Sadly, any system that relies on a contributory basis and a means-tested top up will put women at a disadvantage. According to the European Institute for Gender Equality, women get a third less in pension payments than men. Only 16% of women actually qualify for a full state pension.

While women in Ireland are still on the back foot fighting for 19th century abortion rules to change, there are increasing protests about pensions. Recently, the Irish National Women's Council called on the Government to act to close the pensions gap. Many New Zealanders do not appreciate that we offer a model that countries like Ireland can learn from.

New Zealand is one of the few countries that has a credible comprehensive policy for retirement income that covers virtually all of the population. New Zealand Superannuation (NZS) paid to people at age 65 as individuals from general taxation after 10 years' residence. There are no complex contributory records required. It is a great equaliser of incomes in retirement with women's contribution to unpaid caregiving effectively fully acknowledged. Together with high levels of home ownership, New Zealand has achieved very low rates of hardship for all those over 65.

In New Zealand we also got lucky when all tax concessions for pensions were removed over twenty five years ago. Those concessions went largely to high income career-based men and were highly inequitable. However as a result many employment-based retirement schemes were closed, and many defined benefit (pension) schemes were replaced by defined contribution schemes. Public-sector pension schemes were closed to new members in 1992. By the mid-2000s, coverage of the workforce in employment-based retirement schemes had fallen to only around 14 percent, with few in pension schemes.

To ensure wide access to work-based saving to supplement NZS, KiwiSaver was introduced in 2007 as the world's first national auto-enrolment national saving scheme. Membership in KiwiSaver is not confined to those in paid work and coverage is 78 percent of the working-age population, with equal rates for male and female.

Every member has one account and one provider linked to their Inland Revenue number. The Inland Revenue collects employer and employee contributions and makes sure they are sent to the correct provider. Individuals can make lump-sum contributions at any point and there is a lot of flexibility around opt-out provisions and contributions holidays. Over time, KiwiSaver has either supplanted other employment-based schemes, or plays a complementary role to the few that remain. Employers seem relatively happy with a scheme that better fits a world of rapidly changing employment conditions.

KiwiSaver is in its tenth year. It has achieved remarkable acceptance, low administration costs, and wide transparency. It will evolve further and there is still work to do however, especially on how the savings are accessed in retirement, but the lesson for Ireland must not be lost. This lesson cant be stated too strongly: KiwiSaver's success is due in large part to the fact that it supplements a very good and secure first tier of state pension.

The key to reform in Ireland will be to relinquish two sacred cows; a contributory basis for the state pension, and income and asset tests for the non-contributory pension. The two state pensions should be joined up into one simple adequate comprehensive wage-linked individually-based state pension. Once that is done, a good centrally administered, auto-enrolment IrishSaver can be grafted on and begin to replace the multiple 'not fit for purpose' current employer-based schemes.

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