

Retirement submission

Following Mary Holm's article in the Weekend Herald 24 April 2016, I thought I would offer you my comments.

Eligibility for Superannuation - wealth. There should be an element of means testing associated with government superannuation. I have an occupational pension which provides an income more than three times that of the government's superannuation, yet I still receive that government superannuation. This is quite absurd. I understand the arguments about means testing discouraging saving for retirement. But that hasn't prevented other countries (eg Australia) from means testing government superannuation. Surely, with the experience of other countries to draw on, all those government economists should be able to come up with an equitable means-tested scheme? Especially now there is KiwiSaver.

Eligibility for Superannuation - age. With increasing lifespans it is ridiculous that the age of eligibility for NZ superannuation remains unchanged. This appears to be a triumph of political short-termism over hard economic reality. New Zealand is out of line with nearly all developed countries on this issue. This policy is, of course, an important element in John Key's populist style of government. But in a few years time the governments of the early 2000s are going to be lambasted for dragging their feet on this.

Housing. Governments' approaches to the issue of housing is totally dysfunctional. It favours the wealthy and the old over the young and will be the cause of huge problems for the currently young when they retire. At present, a significant proportion of the retired population are owner-occupiers. So their superannuation doesn't need to cover their accommodation rent. In the future most of many retiree's superannuation will be taken up with rent. Although this is a difficult issue, one glaring omission in New Zealand is the lack of a capital gains tax. Why there is no tax on capital gains accrued on houses not deemed to be a "main dwelling" as there is in many other countries, is baffling. Multiple property ownership needs to be discouraged by all means possible. And owners who leave their properties empty for most of the year, as they do here in the Coromandel where I live, should be penalised even more. Of course, the main reason that nothing will happen is that most MPs are property investors - turkeys don't vote for Christmas.

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