

Retirement Survey AU/NZ

13/12/17

Background and research method

This study was conducted as a partial replication of one done by Colmar Brunton in 2014 (among New Zealanders). In 2017 additional questions were included, and some of the initial 2014 questions around KiwiSaver were removed.

Where possible, New Zealand 2017 and 2014 data has been compared.

The current study was conducted with n=1005 New Zealand respondents, and 1228 Australian respondents. The questionnaire was delivered via an online survey using the Research Now panel. Quotas were used to achieve a nationally representative sample by age, gender, and region (sample profile on next page).

The questionnaire was in field immediately after formation of the new New Zealand government, and at around the same time as an announcement from the government about their policy on New Zealand Super. We are unable to quantify the impact of this on findings.

Surveying for New Zealand was conducted 27/11/17 to 7/12/17. Surveying for Australia was conducted 4/12/17 to 13/12/17.

New Zealand Sample Structure

		Unweighted Total	Weighted total
Total		1005	1005
Age	18-24	105	93
	25-34	236	194
	35-44	167	166
	45-54	151	207
	55-64	132	155
	65+	214	190
Gender	Male	485	482
	Female	520	523
Single or couple	Live with partner or spouse	664	663
	Don't live with a partner	166	164
Region (NZ)	Auckland	330	332
	Wellington	140	111
	Christchurch	127	131
	Other North Island	299	322
	Other South Island	109	111
Receive the pension/super (self or partner)	Yes	203	185
	No	23	28

		Unweighted Total	Weighted total
Income (combined)	\$30,000 or less	180	199
	\$30,001 to \$40,000	107	83
	\$40,001 to \$50,000	105	76
	\$50,001 to \$70,000	151	159
	\$70,001 to \$100,000	175	169
	\$100,001 up to \$120,000	84	80
	More than \$120,000	87	149
Work status	Retired	182	171
	Self-employed or running your own business	77	80
	Employed full time (30+ hours per week)	398	412
	Employed part time (less than 30 hours per week)	130	125
	Studying full time	51	44
	Not employed/Volunteer/Other	167	174
Ethnicity (NZ)	New Zealand	709	738
	New Zealand European/ Pakeha	92	120
	Māori	23	34
	Pasifika	60	77
	Asian	165	92
	Other	0	0

Australia Sample Structure

		Unweighted Total	Weighted total
Total		1228	1228
Age	18-24	72	84
	25-34	235	260
	35-44	220	238
	45-54	181	224
	55-64	219	208
	65+	301	214
Gender	Male	610	589
	Female	617	638
Single or couple	Live with partner or spouse	786	810
	Don't live with a partner	170	172
Region	NSW	349	393
	VIC	315	307
	QLD	285	246
	SA	101	98
	WA	117	123
	NT	6	12
	TAS	35	25
	ACT	20	25
	Metro	787	829
	Regional	441	399

		Unweighted Total	Weighted total
Income (combined)	\$30,000 or less	208	243
	\$30,001 to \$40,000	127	101
	\$40,001 to \$50,000	110	93
	\$50,001 to \$70,000	189	194
	\$70,001 to \$100,000	193	206
	\$100,001 up to \$120,000	97	98
	More than \$120,000	176	182
Work status	Retired	206	144
	Self-employed or running your own business	165	110
	Employed full time (30+ hours per week)	327	209
	Employed part time (less than 30 hours per week)	81	86
	Studying full time	368	410
	Not employed/Volunteer/Other	187	207
Ethnicity	Australian	958	944
	European	100	102
	Aborigine or Torres Strait Islander	16	21
	Other European	180	172
	Asian	93	109
	New Zealand Maori	5	5
	New Zealand European	34	34
	Pacific Island	5	6
	Other	31	34
Receive the pension/super (self or partner)	Yes	206	144
	No	165	110

Thinking about & planning for retirement

Section summary

Just over half of all New Zealanders are thinking about retirement at least a fair amount. This has remained stable from 2014.

By contrast, 43% of Australians are thinking about retirement at least a fair amount.

Compared to 2014, New Zealanders are now significantly more likely to be thinking about how much they'll need in retirement (52% have thought at least a fair amount, compared to 40% in 2014).

New Zealanders are also anticipating having more sources of income in retirement. They expect to have 2.8 sources of income on average, compared to 2.3 sources for Australians.

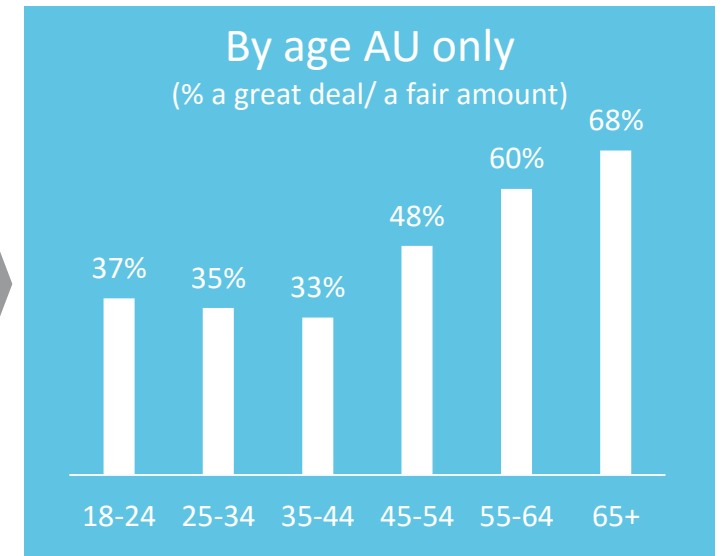
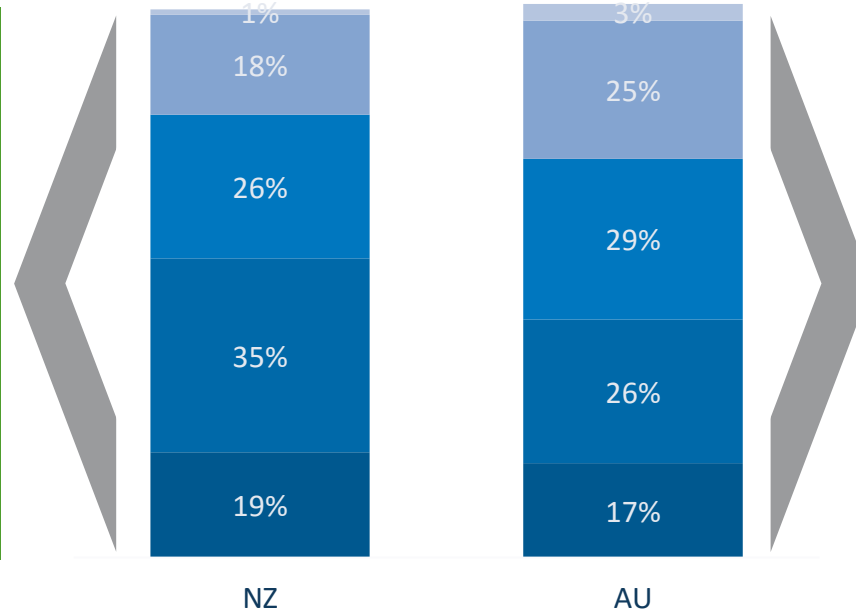
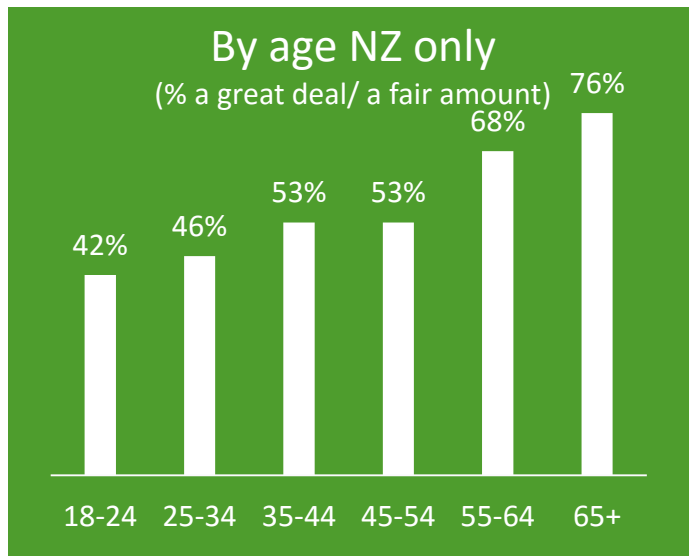
In New Zealand, only 48% of couples and 24% of singles believe they could get by on current NZ Super levels. In addition, only 16% of couples and 8% of singles feel they could live comfortably at NZ Super levels.

In Australia, just 41% of couples and 35% of singles feel they could get by on Age Pension income levels. In addition only 12% of couples and 12% of singles feel they could live comfortably at that level.

Thinking about retirement

To what extent have you thought about retirement?

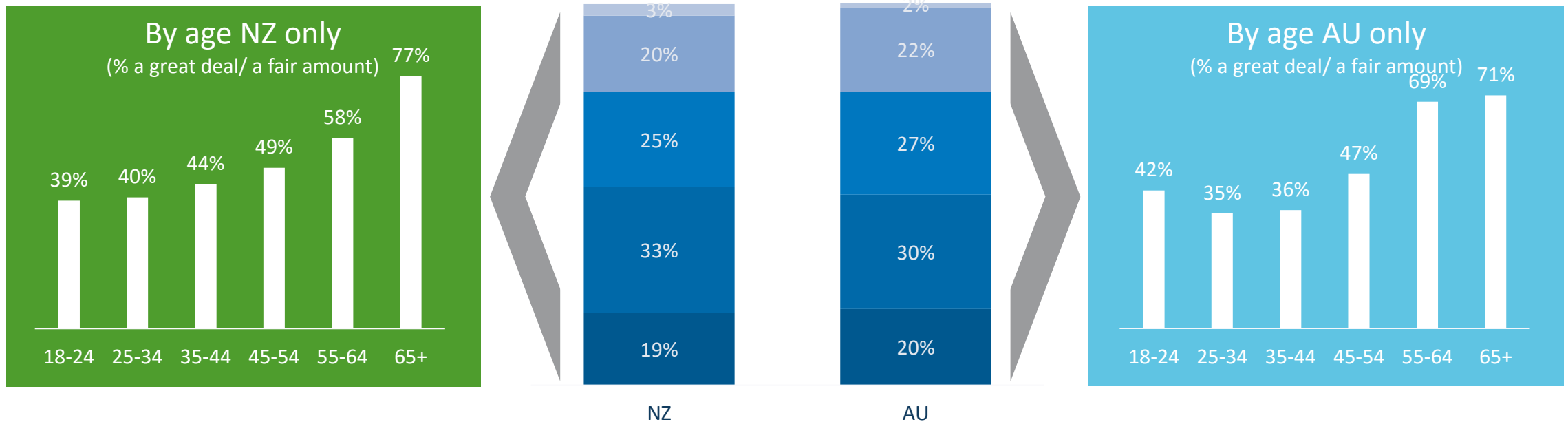
■ A great deal ■ A fair amount ■ A little, or ■ Hardly at all ■ Don't know



Thinking about how much money you'll need in retirement

To what extent have you (and your partner) thought about the amount of money you'll need in retirement?

■ A great deal ■ A fair amount ■ A little, or ■ Hardly at all ■ Don't know

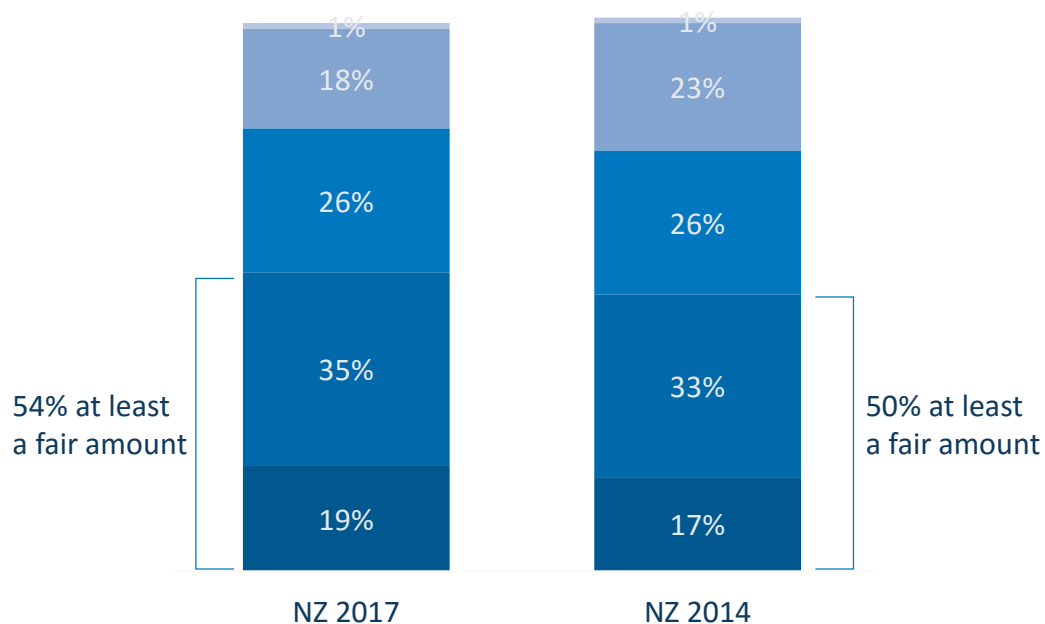


NZ comparison to 2014: Thinking about retirement

In 2017: Significantly higher proportion of New Zealanders who have thought about the amount they need at least a fair amount (52% compared to 40% in 2014).

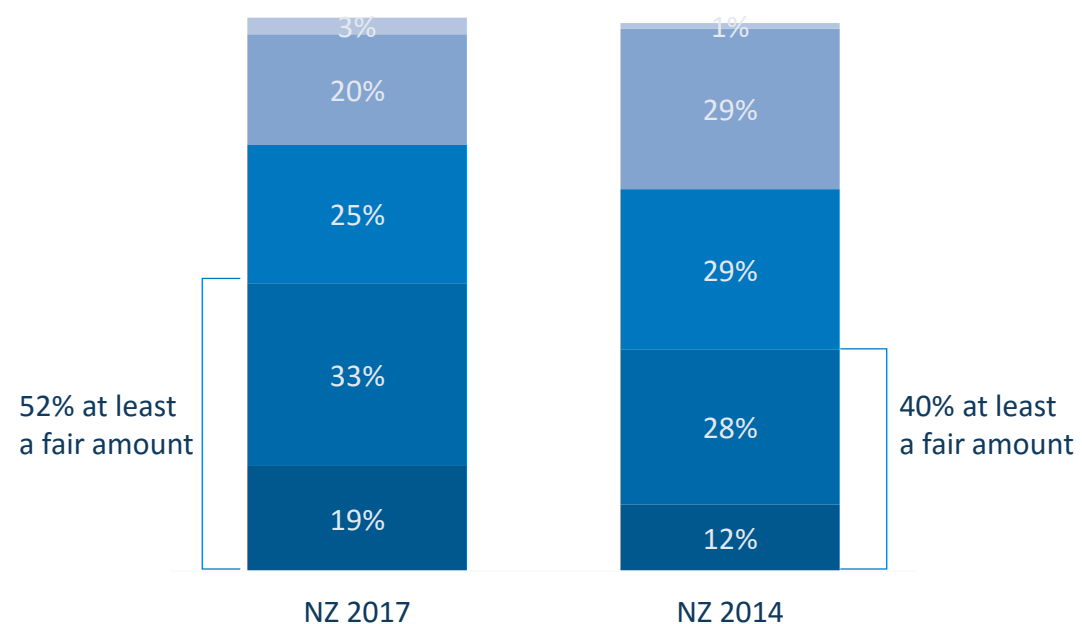
To what extent have you thought about retirement?

■ A great deal ■ A fair amount ■ A little, or ■ Hardly at all ■ Don't know



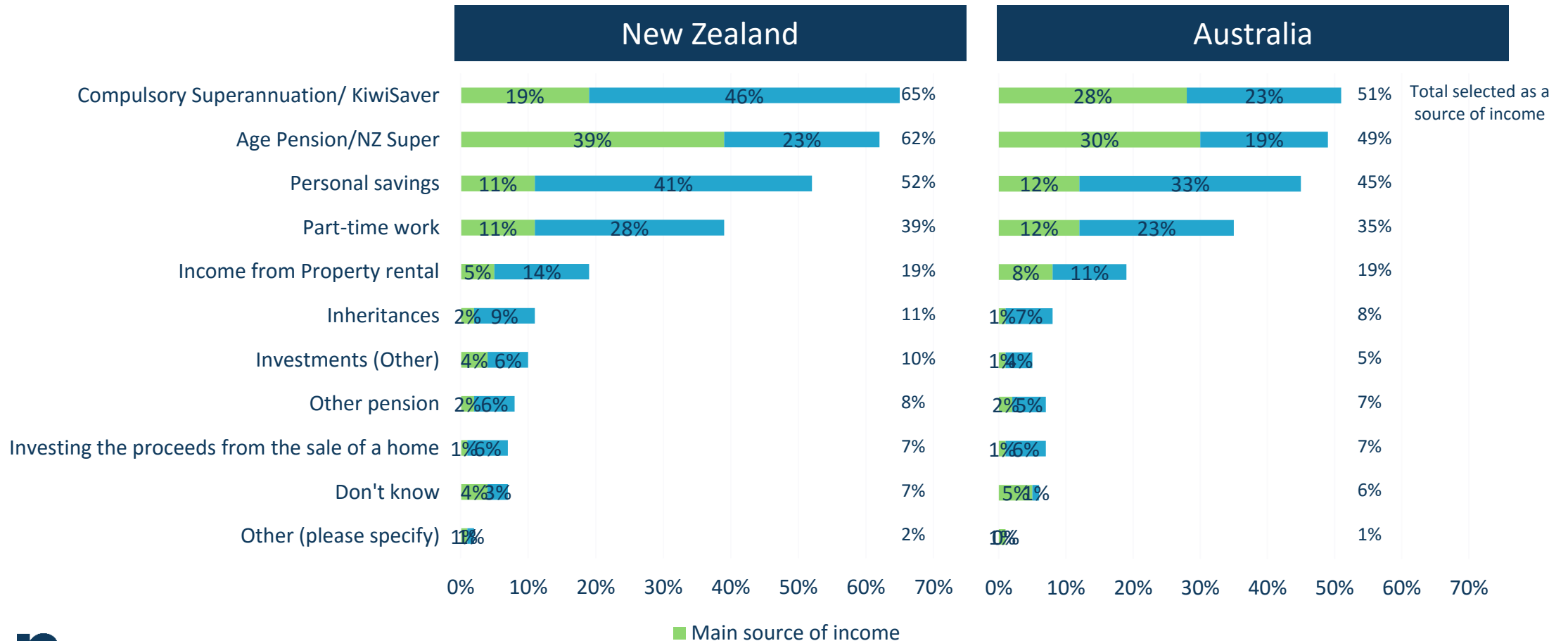
To what extent have you (and your partner) thought about the amount of money you'll need in retirement?

■ A great deal ■ A fair amount ■ A little, or ■ Hardly at all ■ Don't know



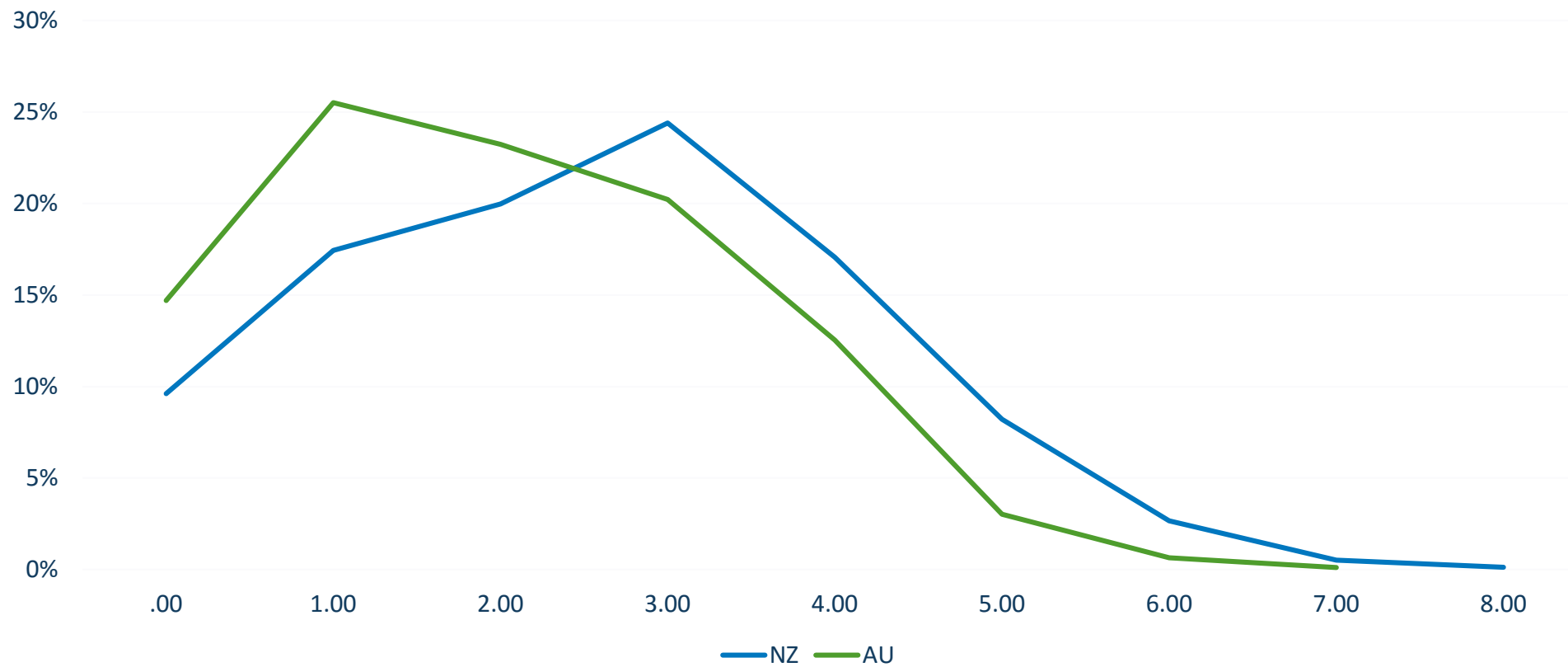
Anticipated sources of income

New Zealanders and Australians have similar expectations of how they'll fund their retirement (the different sources are ranked the same in AU and NZ).



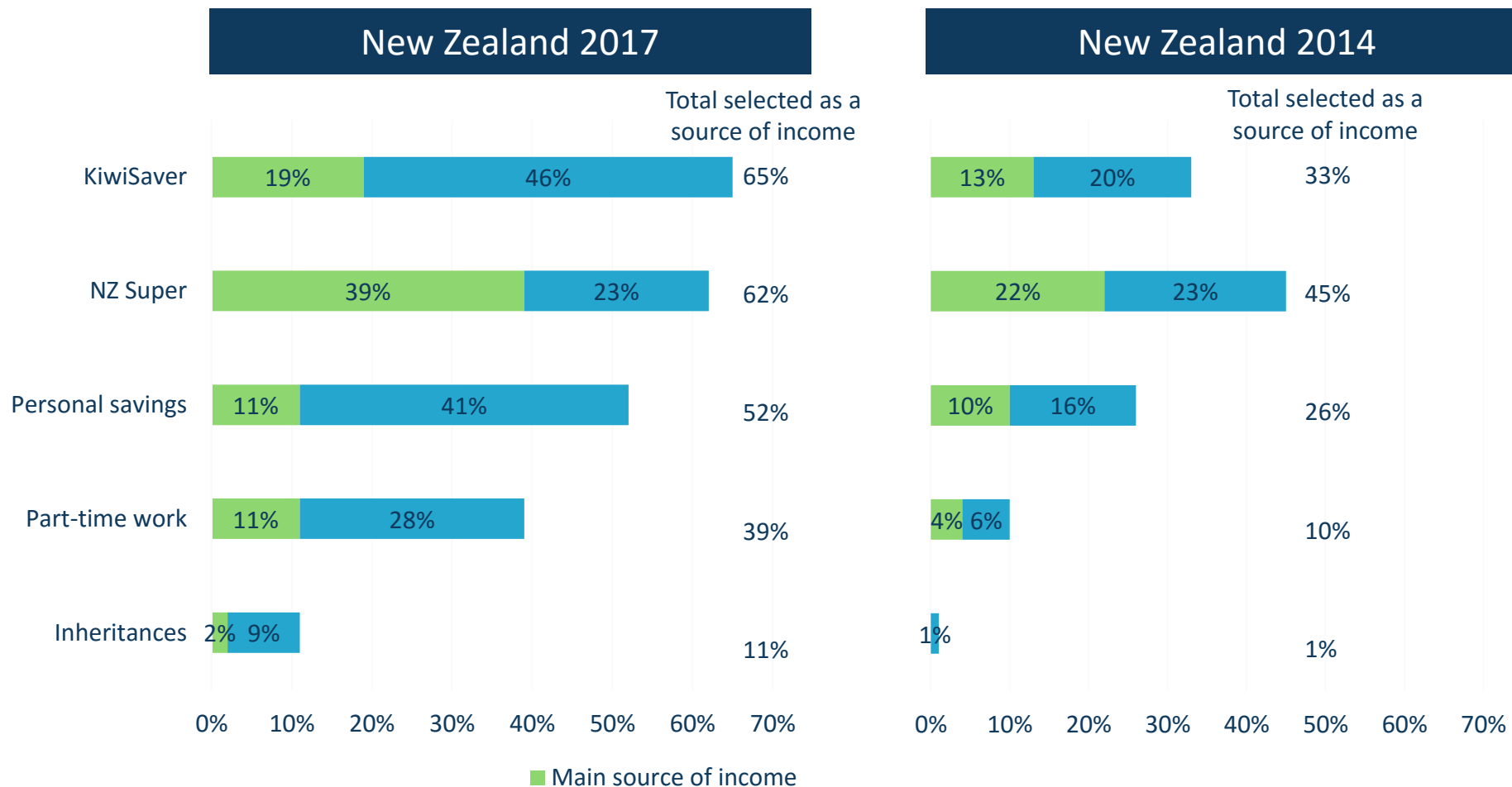
The number of sources anticipated for retirement income

New Zealanders have higher expectation of multiple sources of funds (2.8 sources on average) compared to Australia (2.3 sources on average)



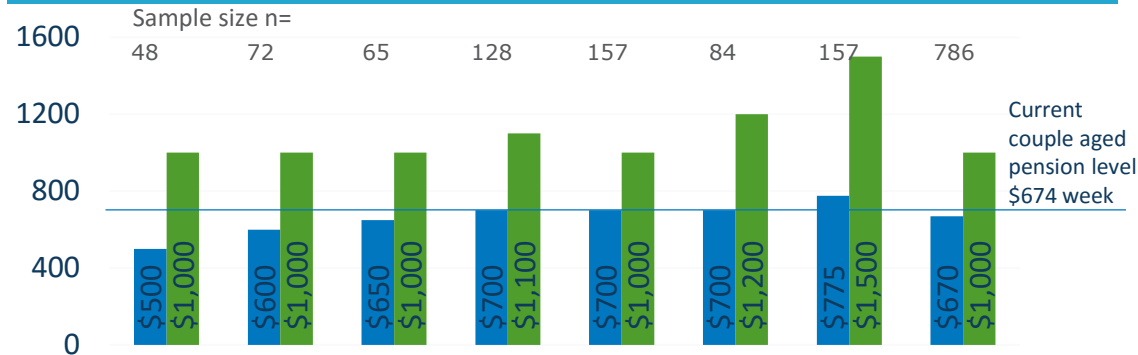
NZ Comparison to 2014: Anticipated sources of income

Only shows those options directly comparable between 2014 and 2017 (worded in the same way).

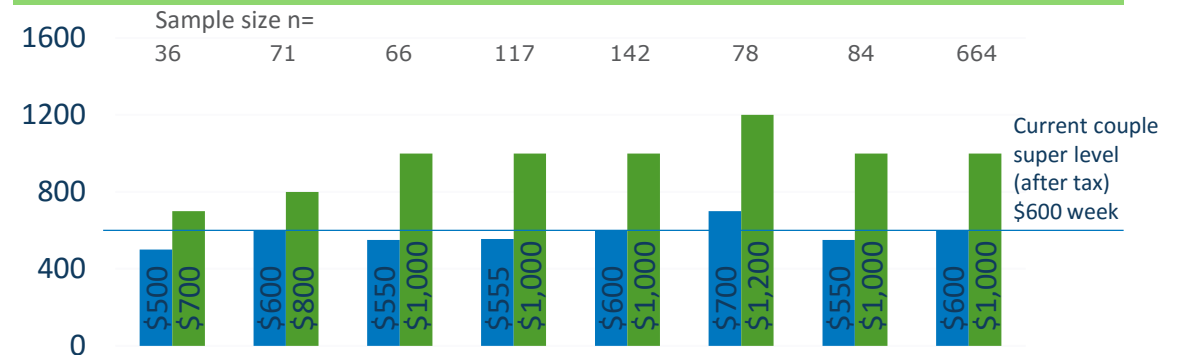


How much would be required each week to get by and to live comfortably?

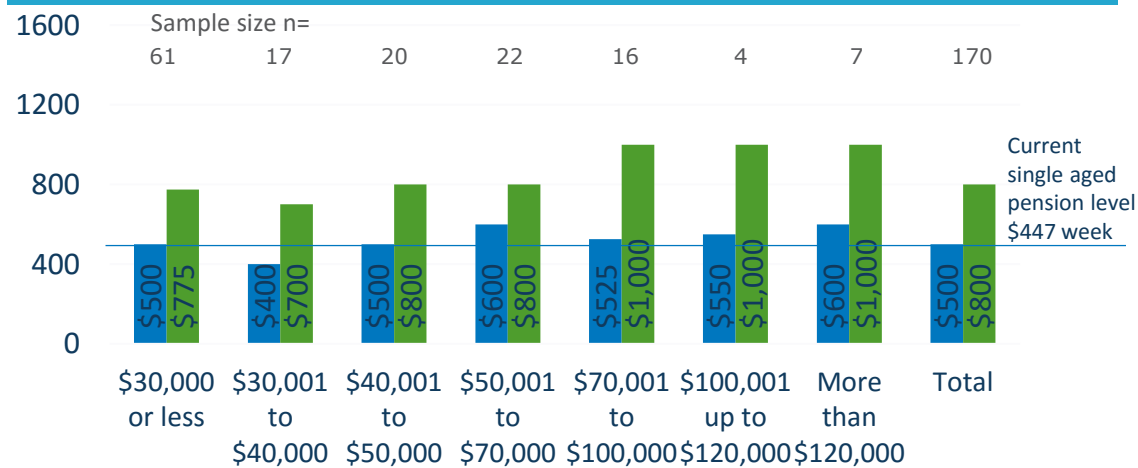
AU: Median amount required for couples, by couple combined income



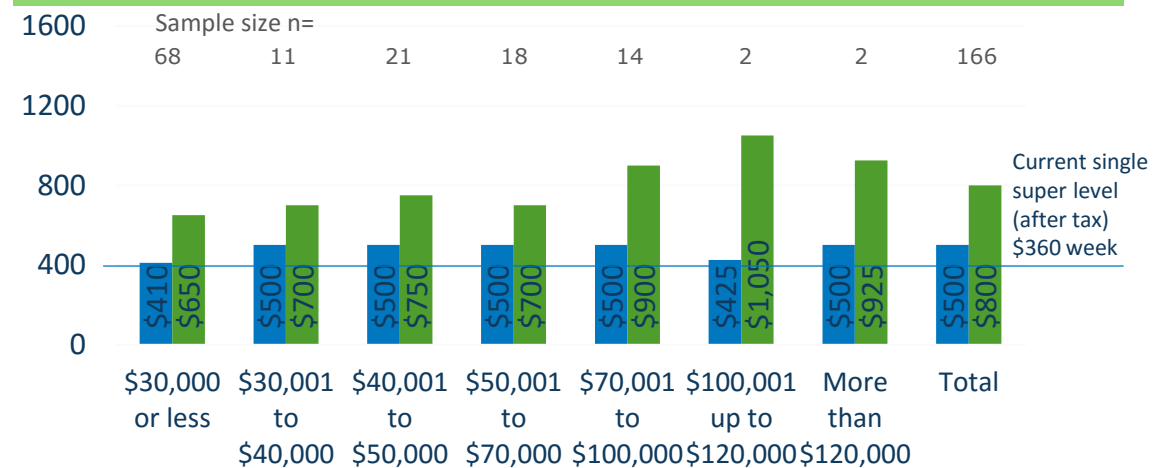
NZ: Median amount required for couples, by couple combined income



AU: Median amount required for singles, by individual income



NZ: Median amount required for singles, by individual income



■ Enough to just get by ■ Enough to live comfortably

■ Enough to just get by ■ Enough to live comfortably

Expectations compared to reality

If we compare those amounts to the actual Super/Age Pension paid, how many could get by, how many could live comfortably?

New Zealand		
	Couple (n=664)	Single (n=166)
Amount paid	\$600 p.w. after tax	\$360 p.w. after tax
% who could get by on this amount	48%	24%
% who could not get by on this amount	31%	55%
% don't know how much they need to get by	18%	24%
% would comfortable on this amount	16%	8%
% would need more than this to live comfortably	66%	68%
% don't know how much they need to live comfortably	18%	23%

Australia		
	Couple (n=786)	Single (n=170)
Amount paid	\$1348 per fortnight	\$894 per fortnight
% who could get by on this amount	41%	35%
% who could not get by on this amount	38%	47%
% don't know how much they need to get by	17%	17%
% would comfortable on this amount	12%	12%
% would need more than this to live comfortably	68%	71%
% don't know how much they need to live comfortably	16%	18%

Understanding of NZ Super or Age Pension

Section summary

Awareness of NZ Super and Age Pension is high (92% in Australia, 87% in New Zealand). In both countries, four in five people know that almost anyone aged over 65 years can receive the national super/pension payments.

In Australia there is also a high level of understanding that the Age Pension is income and asset tested (more than four in five know this).

By contrast, New Zealanders are far less clear on whether NZ Super is income or asset tested. However, there is more awareness that NZ Super is not income and asset tested than there was in 2014.

In both Australia and New Zealand there is low awareness of the actual level of payment from Age Pension or NZ Super. In fact – in New Zealand in 2014 54% of people were aware of the correct amount of NZ Super – this has dropped to 28% in 2017.

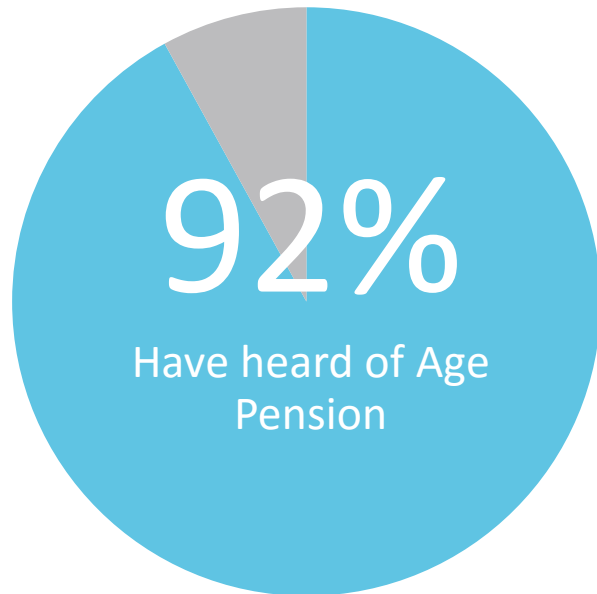
In New Zealand, NZ Super is a universal amount. When asked whether this should continue to be the case, over half (54%) of New Zealanders agreed it should be kept universal.

In Australia, Age Pension payments are dependent on income and assets. When asked whether this should continue 52% said that Age Pension should continue to be paid according to income and asset tests.

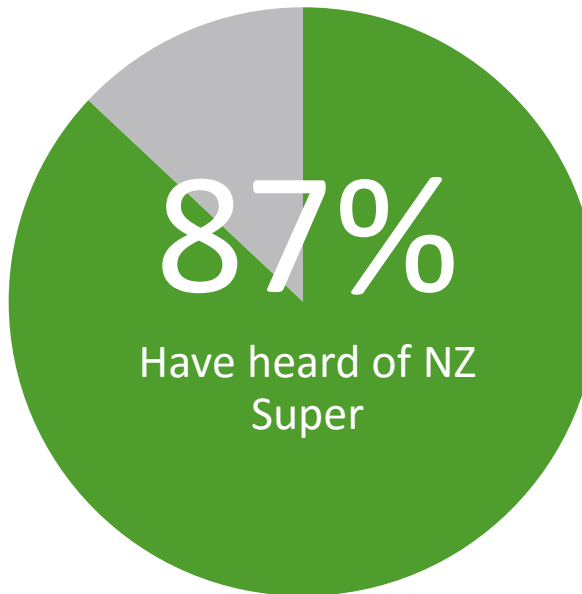
Before today had you heard of NZ Super/ Age Pension?

Almost all have heard of the national super or pension schemes.

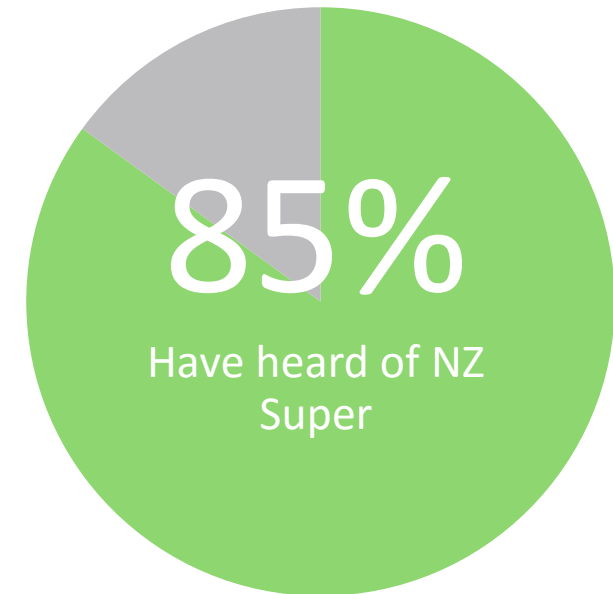
Australia 2017



New Zealand 2017

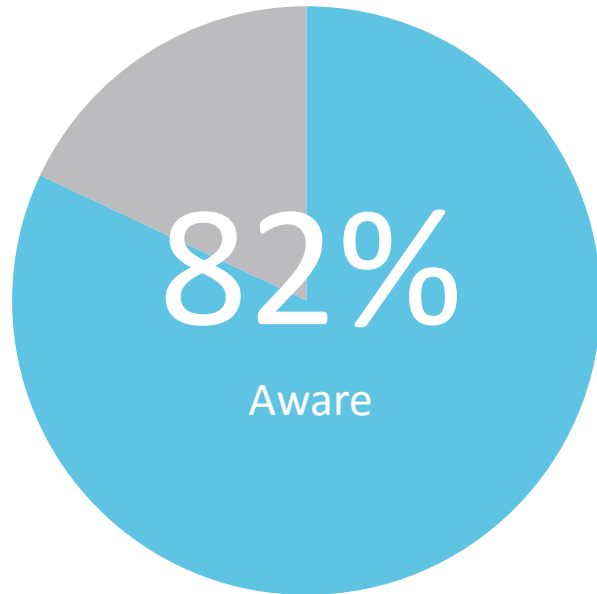


New Zealand 2014

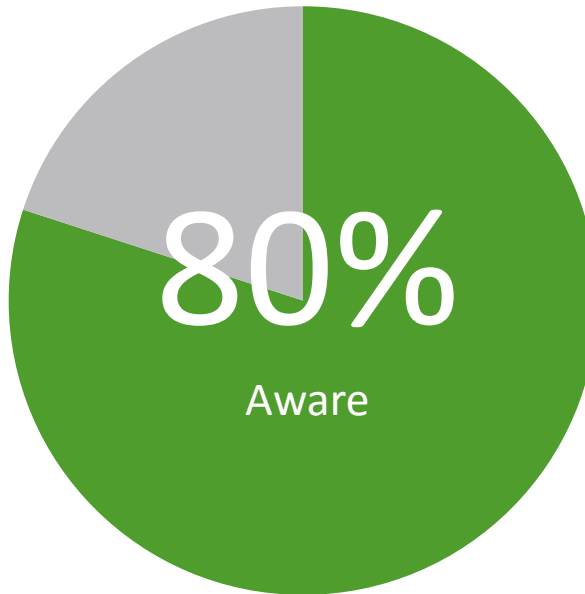


Before today were you aware that almost anyone aged over 65 years can receive NZ Super/ Age Pension?

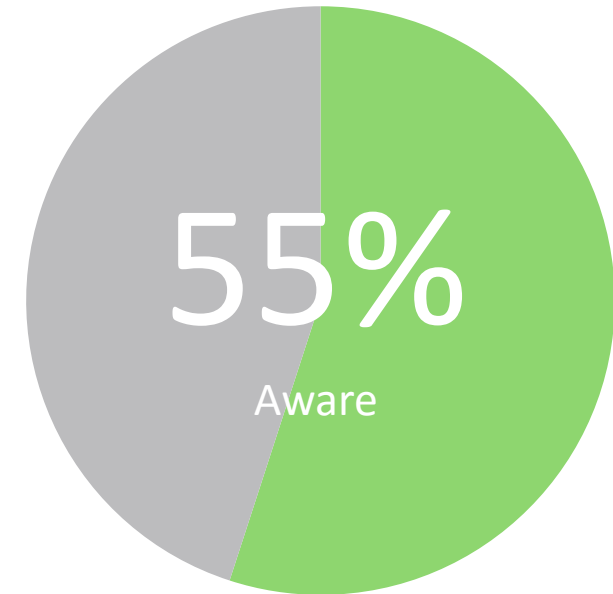
Australia 2017



New Zealand 2017



New Zealand 2014



NZ: Almost all New Zealand residents aged 65 years or over can receive New Zealand Superannuation. Before now, were you aware that almost anyone aged 65 years or over can receive New Zealand Superannuation?

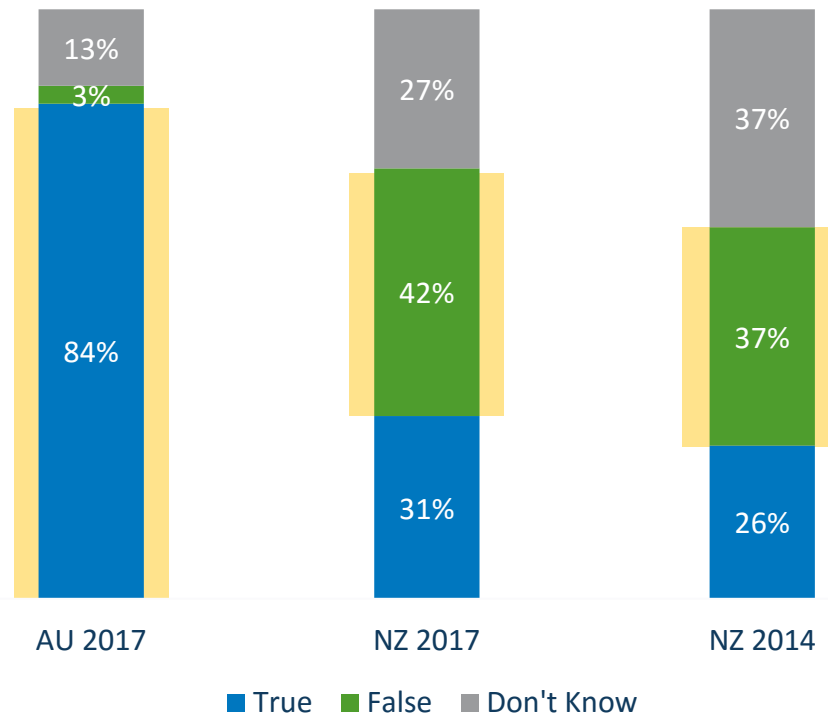
AU: Most Australian residents aged 65 years or over receive the Age Pension. Before now, were you aware that most people aged over 65 years can receive this payment? ?

Base: Total sample. NZ 2017 n=1005; NZ 2014 n=1005; AU 2017 n=1228;

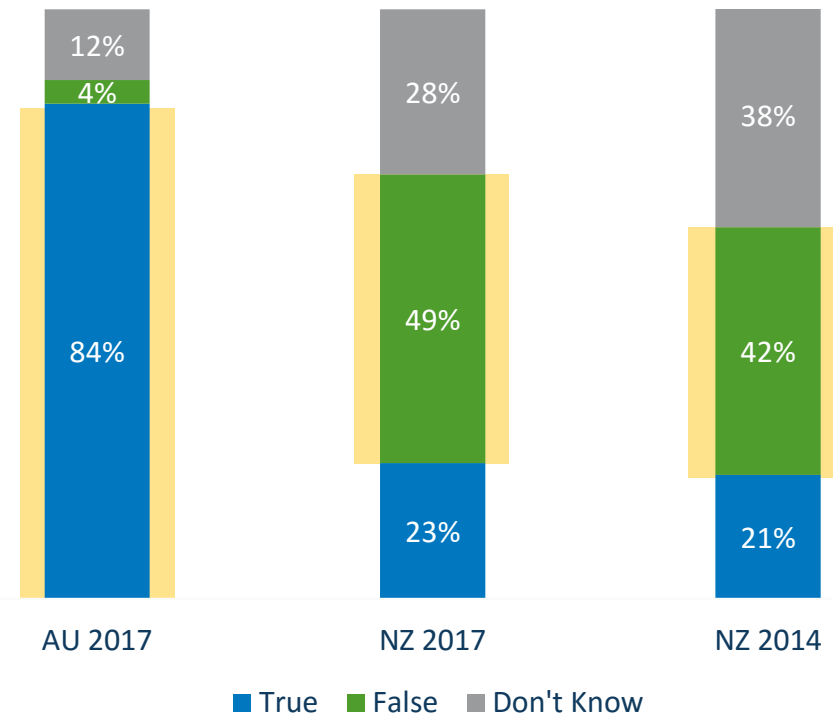
Understanding of how Age Pension/ NZ Super works

Correct option highlighted in yellow (differs by country)

Before someone can get the Age Pension/NZ Superannuation, the government always checks how much income they receive or earn.

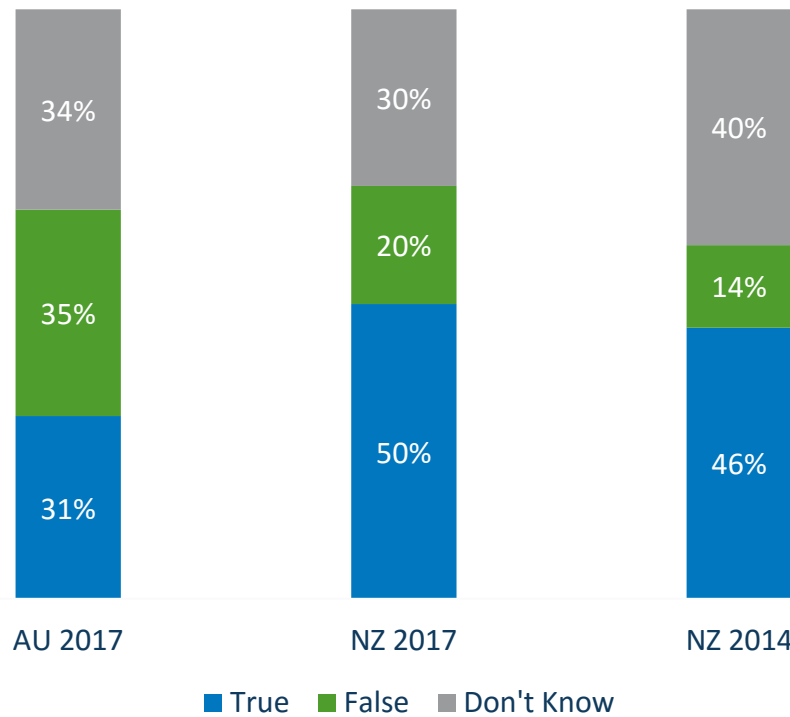


Before someone can get the Age Pension/NZ Super, the government always works out what assets the person has, such as their property and investments, and money in savings.

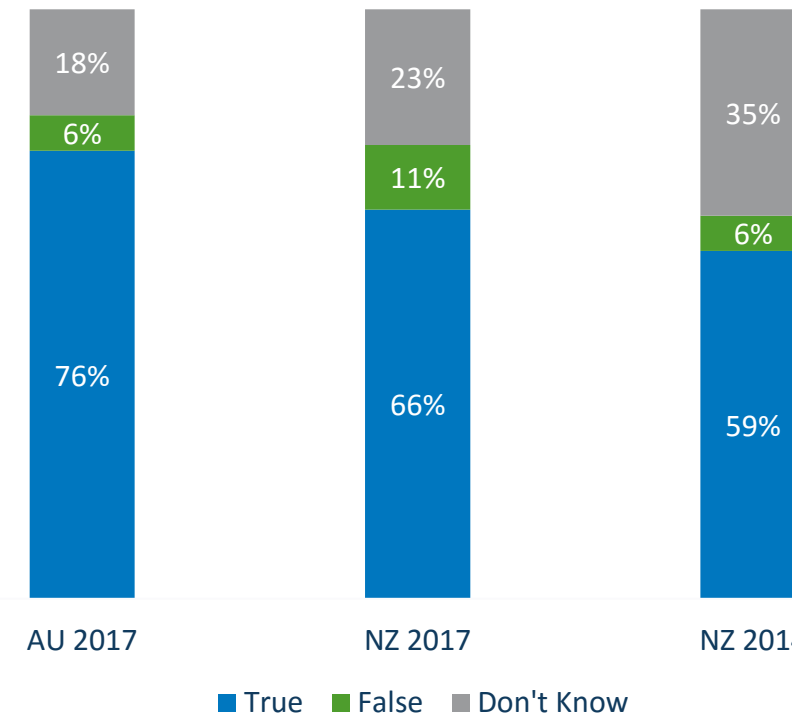


Understanding of how Age Pension/ NZ Super works

The Age Pension/NZ Superannuation comes from money the government has saved and invested over time.

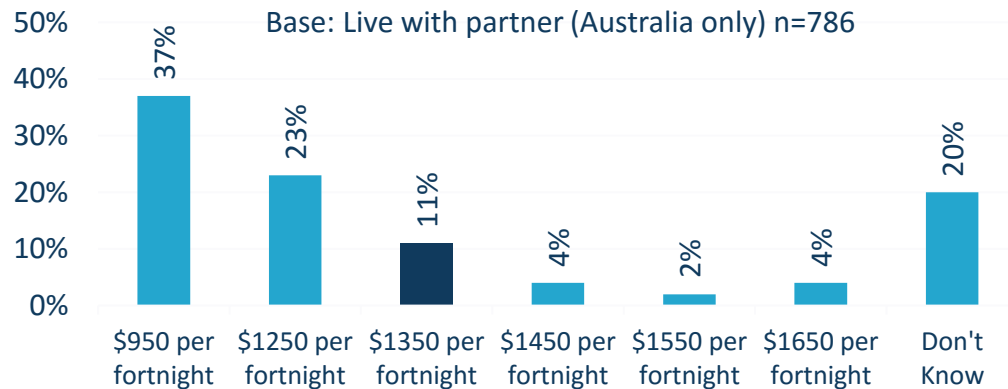


The Age Pension/NZ Superannuation comes from current taxpayers.

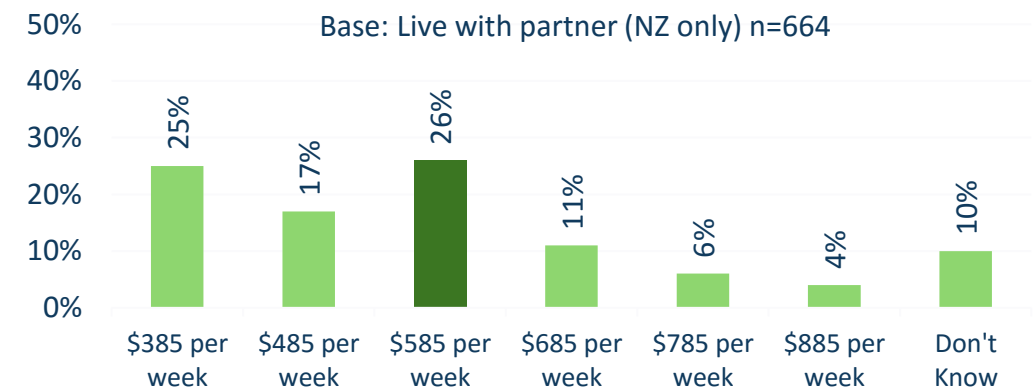


How much do you get on Age Pension/ NZ Super?

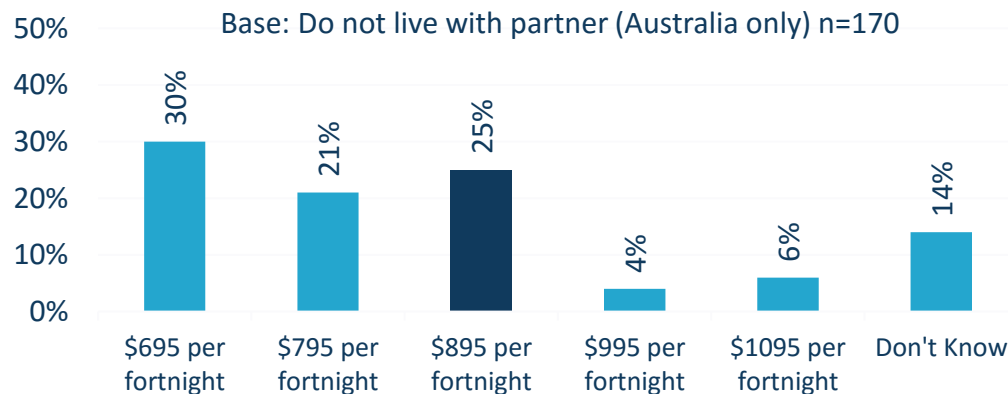
AU: Which one do you think is closest to the fortnightly age pension for a couple?



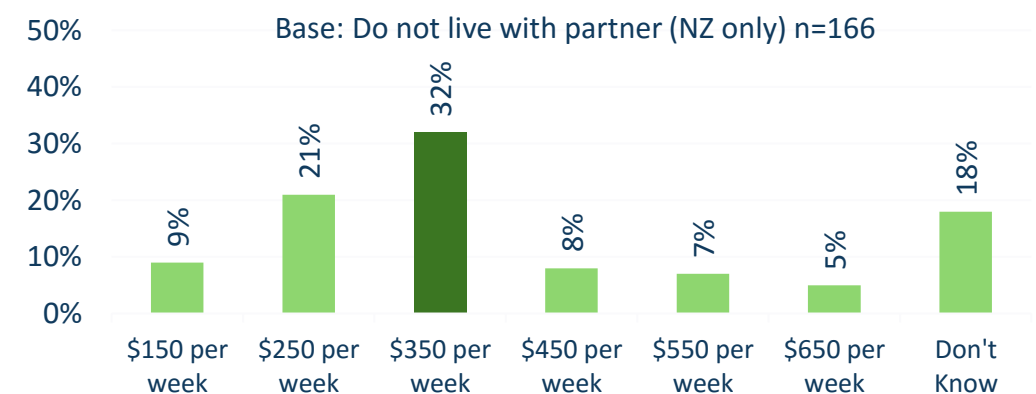
NZ: Which one do you think is closest to the weekly NZ Super for a couple?



AU: Which one do you think is closest to the fortnightly age pension for a single person living alone?



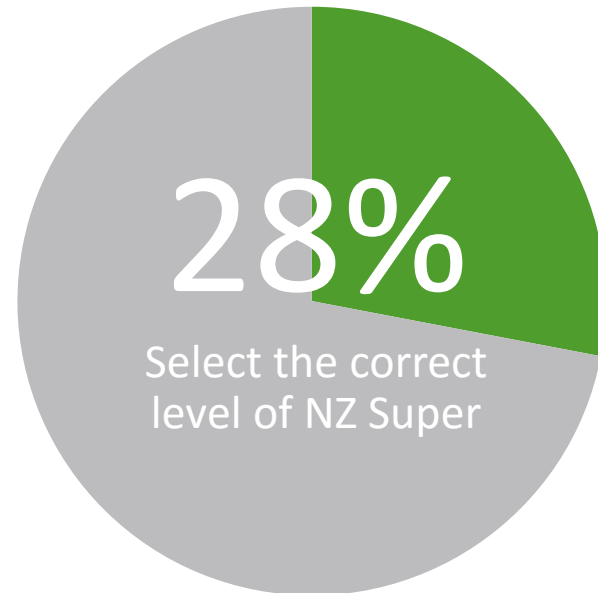
NZ: Which one do you think is closest to the weekly NZ Super for a single person living alone?



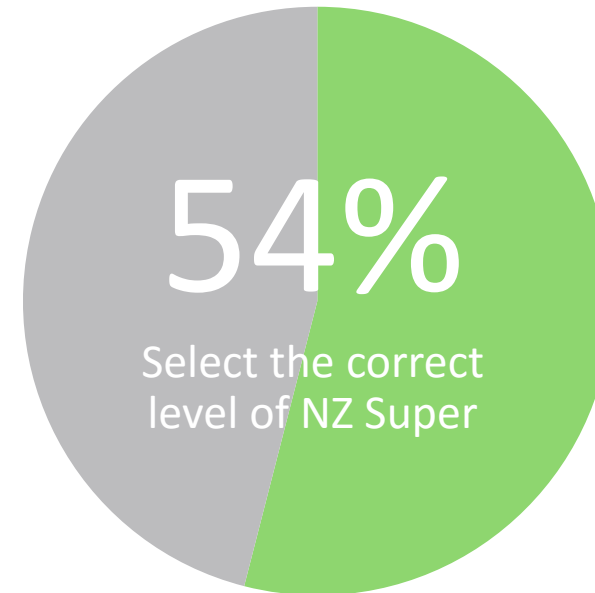
NZ Comparison to 2014: The proportion who selected the correct level of super that is paid

Fewer are able to select the correct level of NZ Super in 2017 – this has dropped significantly from 2014.

New Zealand 2017



New Zealand 2014



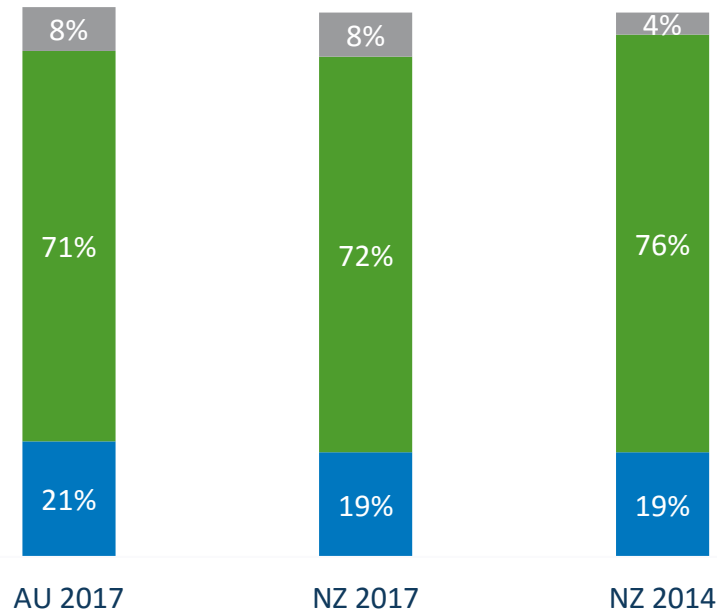
New Zealand Superannuation is paid to New Zealand residents aged 65 and over. The payment is made regardless of how much you earn or the value of your property or other investments.

Which of the following amounts do you think is closest to the weekly after-tax payment [IF Q1c=1, then also show: to a couple] from New Zealand Superannuation [IF Q1c=2, then also show: to a single person living alone]?

Base: Total sample. NZ 2017 n=1005; NZ 2014 n=1005

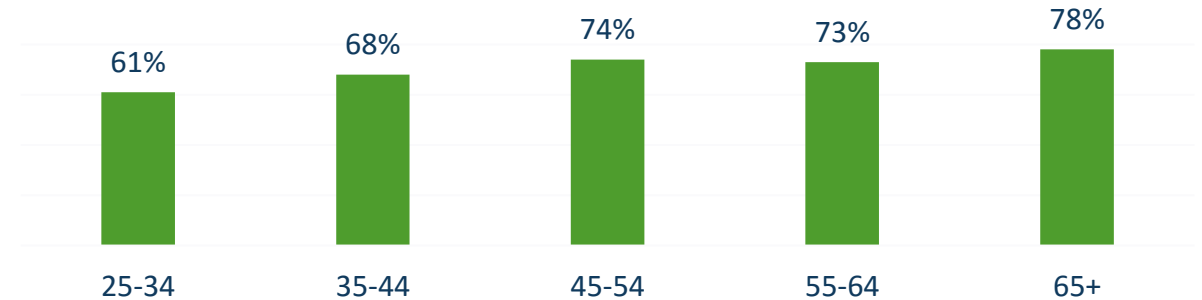
Is the Age Pension/ Super amount enough to live comfortably?

Is the current level enough to live comfortably, or would you need more?



■ Don't know
■ Would need income from other sources as well
■ Enough for you to live comfortably in retirement

AU/NZ Combined: Proportion who would need more (by age)



AU/NZ Combined: Proportion who would need more (by income)



NZ: A couple currently receives \$600 per week in New Zealand Superannuation, after tax. Do you think this is...

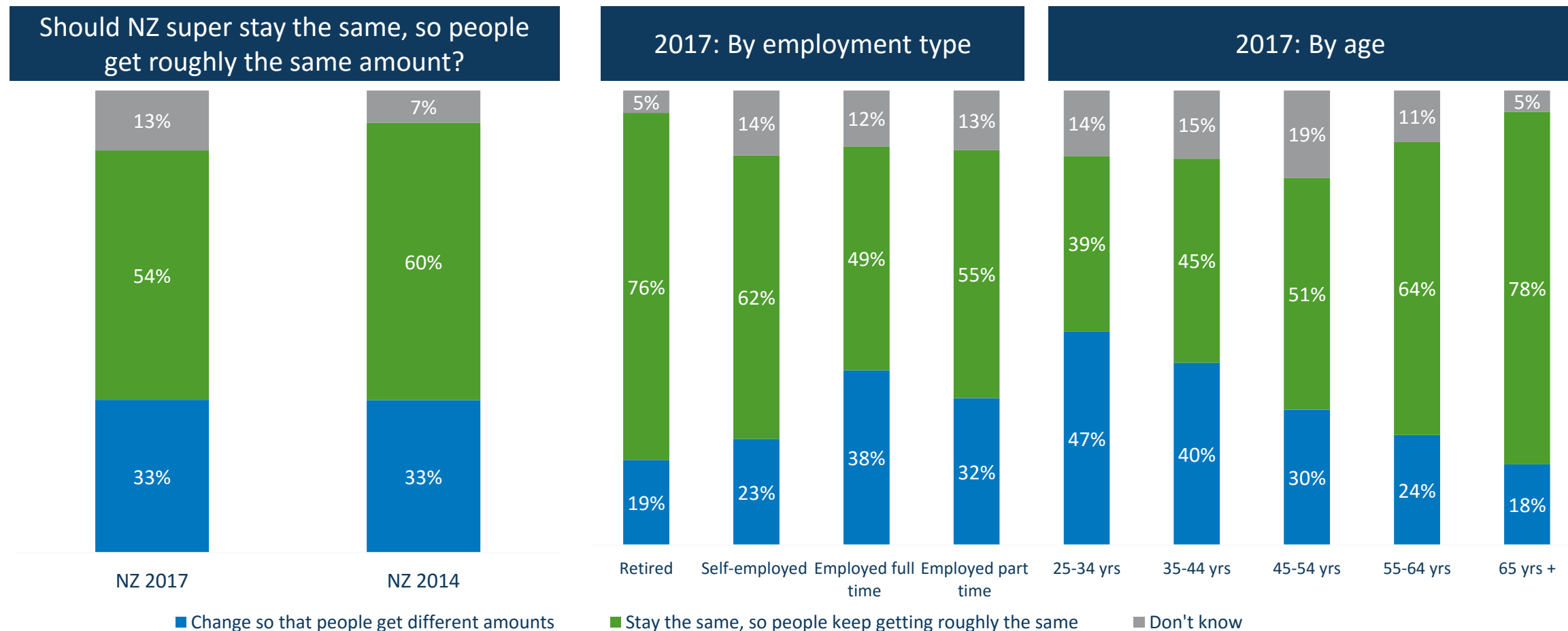
NZ: A single person living alone currently receives \$360367 per week in New Zealand Superannuation, after tax. Do you think this is...

AU: A couple combined currently receives \$1,348 per fortnight from the Age Pension,. Do you think this is...

AU: A single person living alone currently receives \$894 per fortnight from the Age Pension, . Do you think this is...

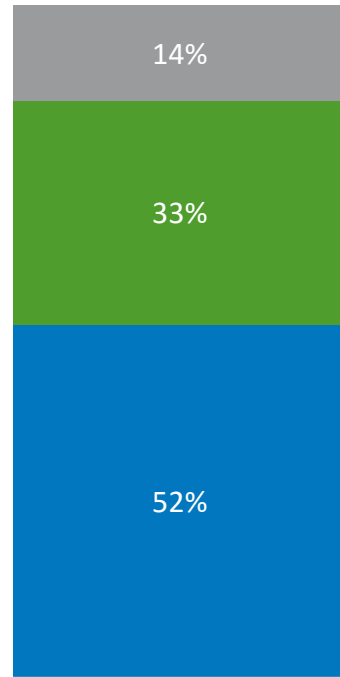
Base: Total Sample. NZ 2017 n=1005; NZ 2014 n=1005; AU 2017 n=1228

NZ only: Should NZ Super be a universal amount?



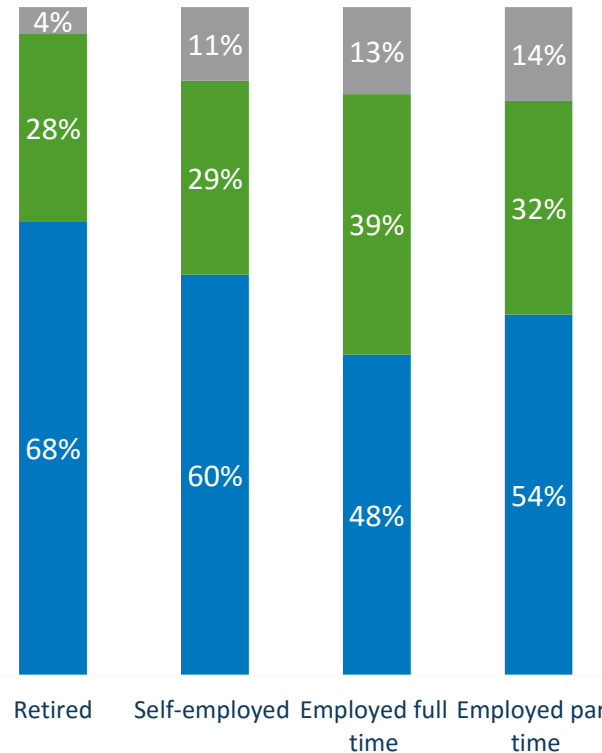
AU only: Should Age Pension continue to be income and asset dependent or a universal amount?

Should Age Pension stay the same, so that people get different amounts?

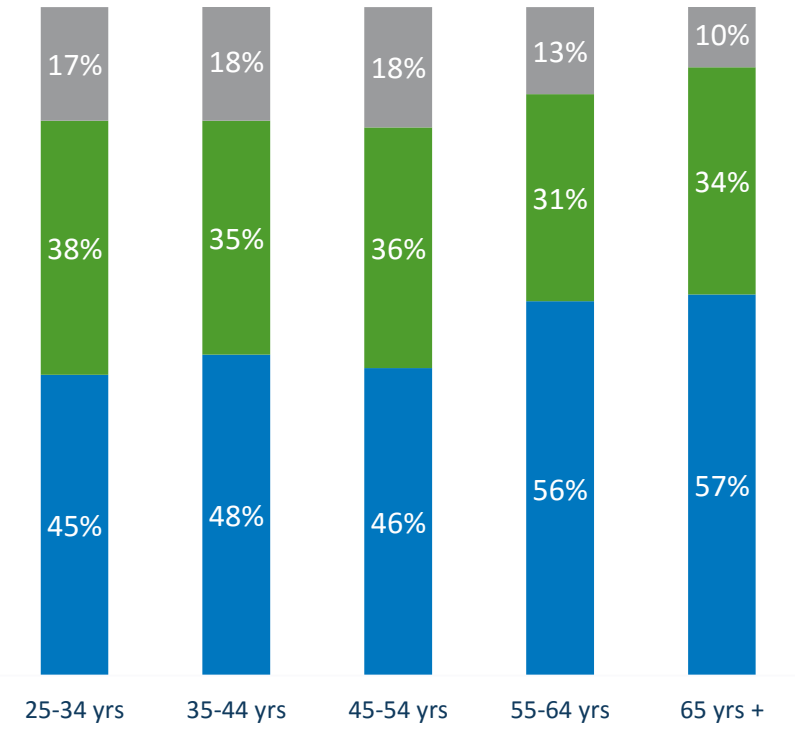


AU 2017

By employment type



By age



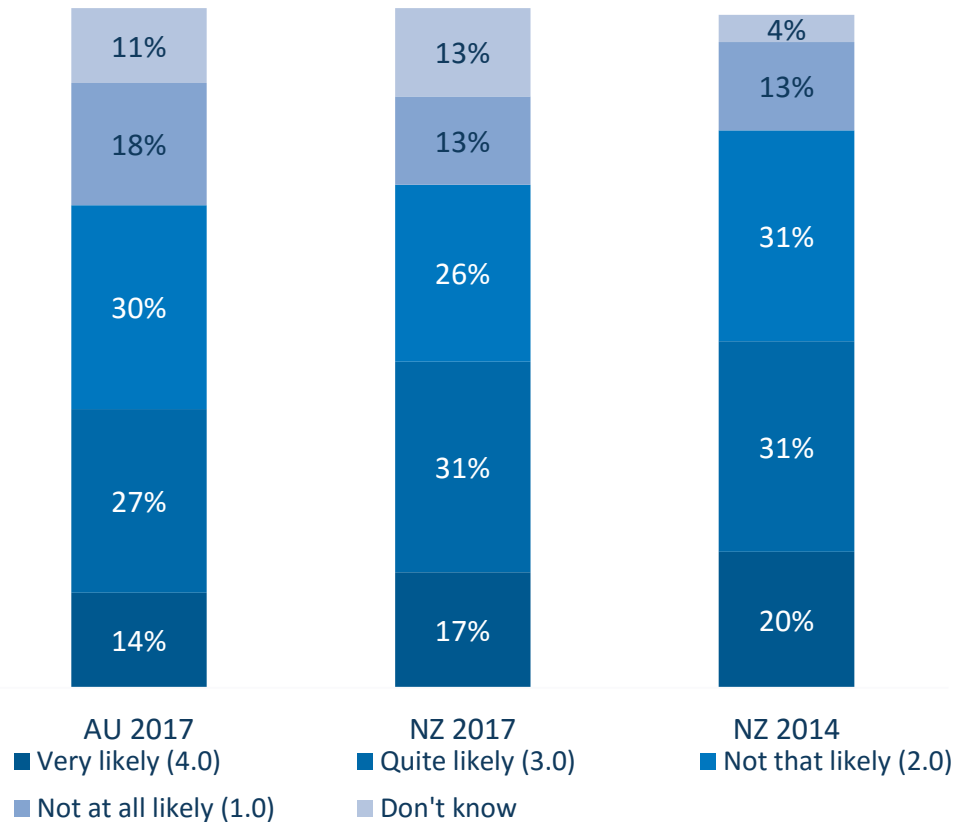
■ No change so that people get different amounts

■ Change so older people get paid roughly the same

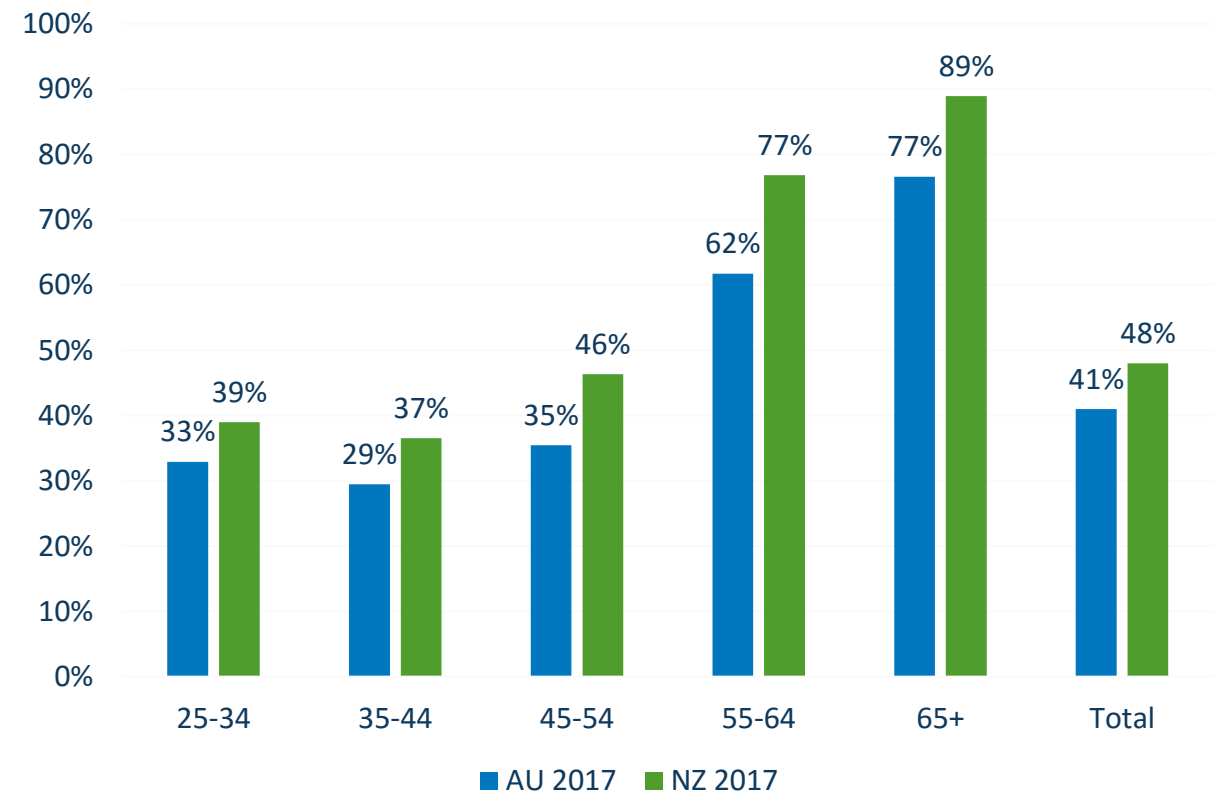
■ Don't know

Will Age Pension/ NZ Super exist in its current form when you retire?

Likelihood of existing in its current form



2017: Combined very/quite likely (by age)



Increasing costs of NZ Super and Age Pension

Section summary

At least two thirds of Australians and almost three quarters of New Zealanders are aware that NZ Super/Age Pension will cost more in the future.

Around three quarters in each country are aware that public health costs (including aged residential care) will rise in the future as well.

This awareness increases as people move closer to retirement age, and among people who have spent time thinking about their retirement.

These increases in costs are largely believed to be driven by the ageing population and increased longevity.

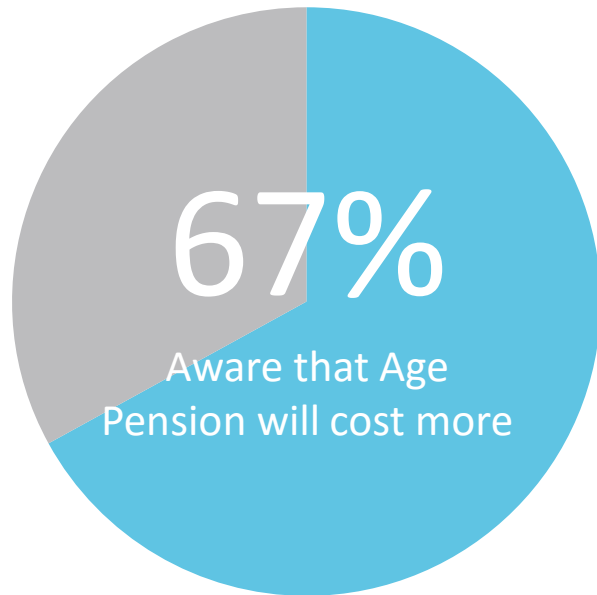
When asked about the likely level of these increases, around one third of respondents in either country were unable to say how much costs will likely increase by (as a proportion of GDP).

In New Zealand, NZ Super is a universal amount. When asked whether this should continue to be the case, over half (54%) of New Zealanders agreed it should be kept universal.

In Australia, Age Pension payments are dependent on income and assets. When asked whether this should continue 52% said that Age Pension should continue to be paid according to income and asset tests.

Awareness that NZ Super/ Age Pension will cost more in the future

Australia 2017



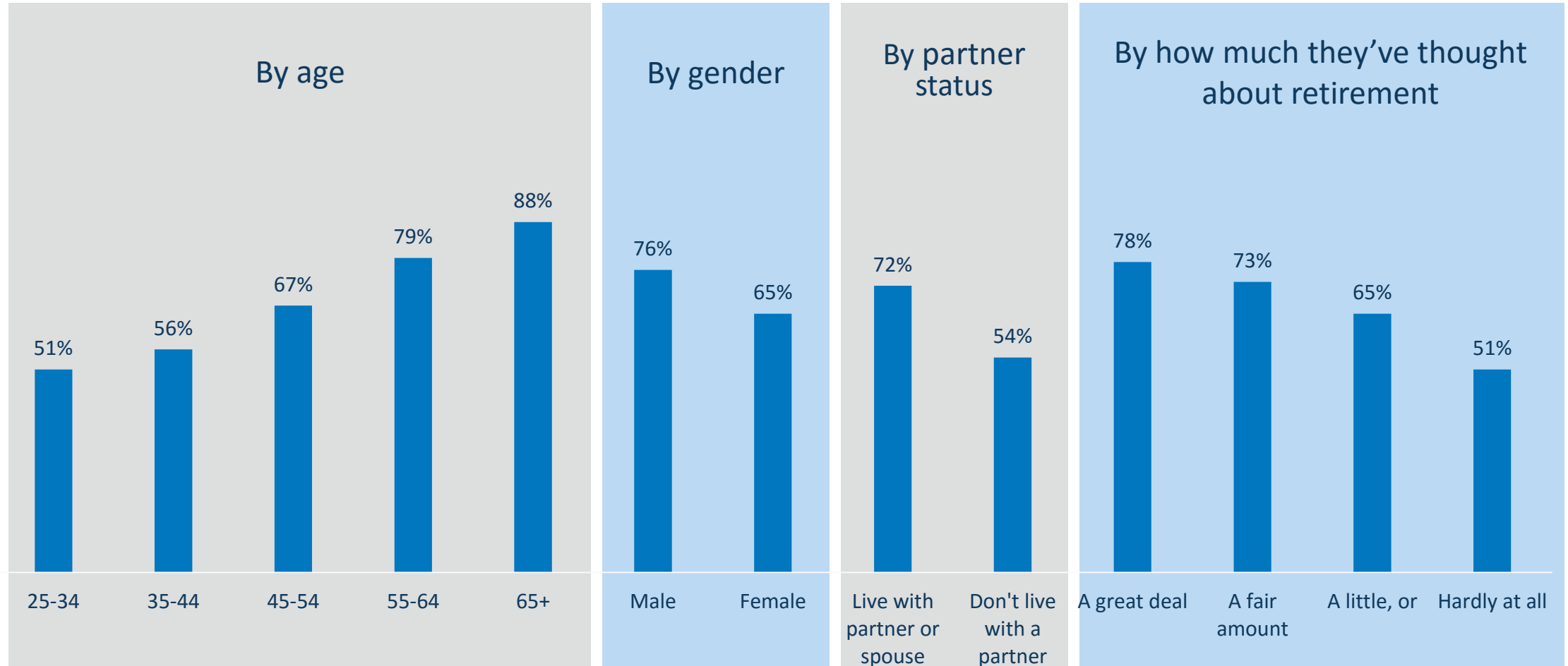
New Zealand 2017



New Zealand 2014

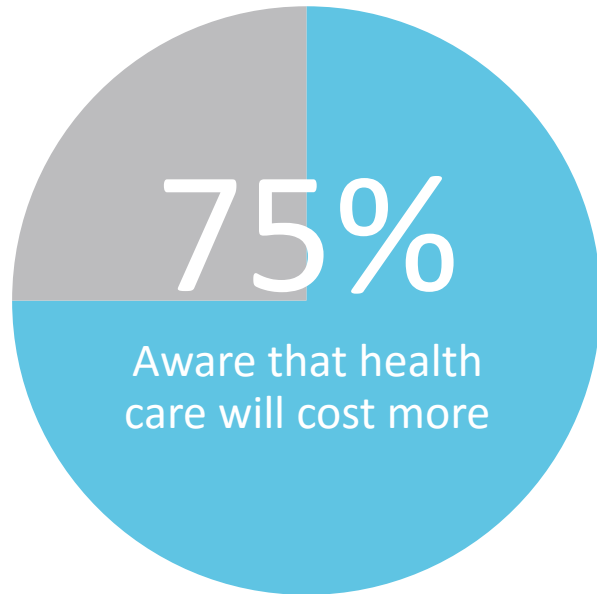


Awareness that NZ Super/ Age Pension will cost more in the future (chart shows % aware it will cost more – NZ and AU combined)

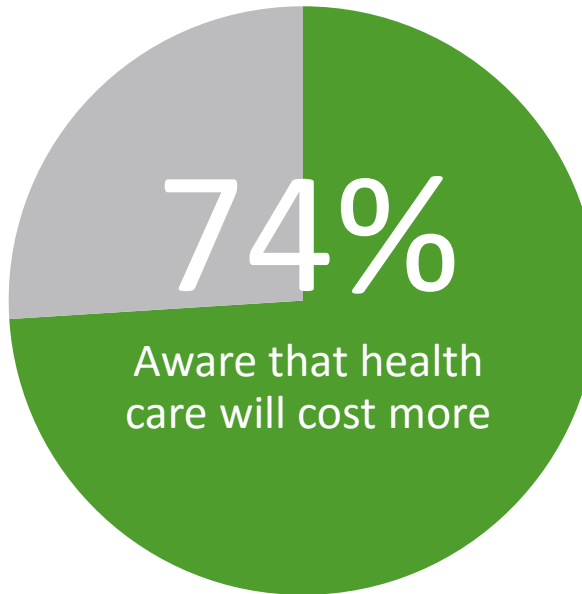


Awareness that cost of public health care (including residential aged care) will increase

Australia 2017



New Zealand 2017



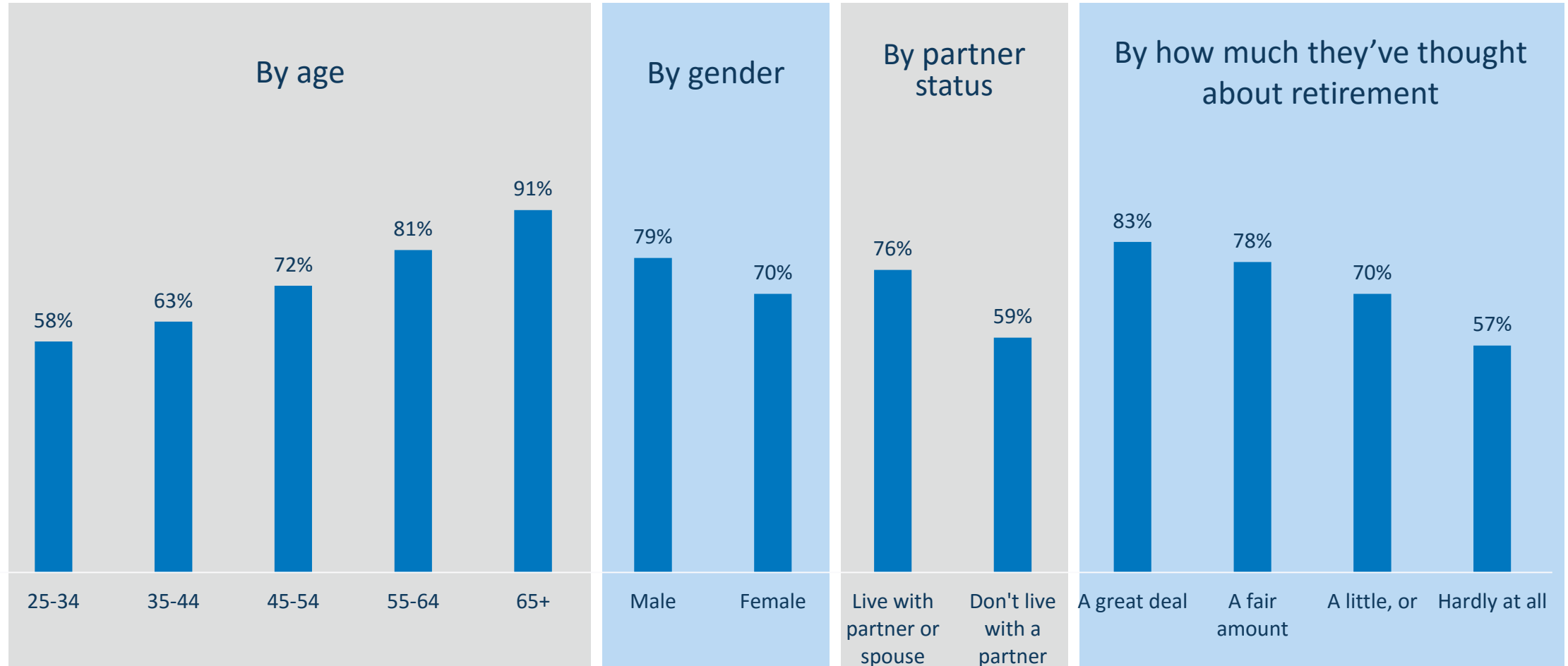
NZ: As the population ages, as well as the cost of New Zealand Superannuation, the cost of public health care including aged residential care in rest homes and hospitals will also increase. Before today, were you aware that public health care and aged residential care subsidies will cost more in the future?

AU: As the population ages, as well as the cost of Age Pension, the cost of public health care including aged residential care in retirement villages, nursing homes and hospitals will also increase. Before today, were you aware that public health care and aged residential care subsidies will cost more in the future?

Base: Total sample. NZ 2017 n=1005; AU 2017 n=1228

Awareness that cost of public health care will increase

(chart shows % aware it will cost more – NZ and AU combined)



A note for the following slides

From this point in the questionnaire people were assigned randomly to either the “information group” or “non-information group”.

Those in the information group were asked three questions that were not shown to the non-information group, and were given more information on a fourth question. By answering these questions, the “information group” were responding to further questions from a more informed position.

For the next set of slides, data will be split into “information group” and “non-information group” where both groups answered the question. The reason for this is to understand how having extra information influences responses.

The three questions asked only of the information group:

1. Why do you think New Zealand Superannuation/ the Age Pension will cost more in the future?
2.

NZ: New Zealand Superannuation currently costs just under 5% of New Zealand’s GDP, which is the total dollar value of all goods and services produced by New Zealand. The New Zealand Treasury expects this percentage to increase over the next 50 years. Do you think the cost of New Zealand Superannuation could...

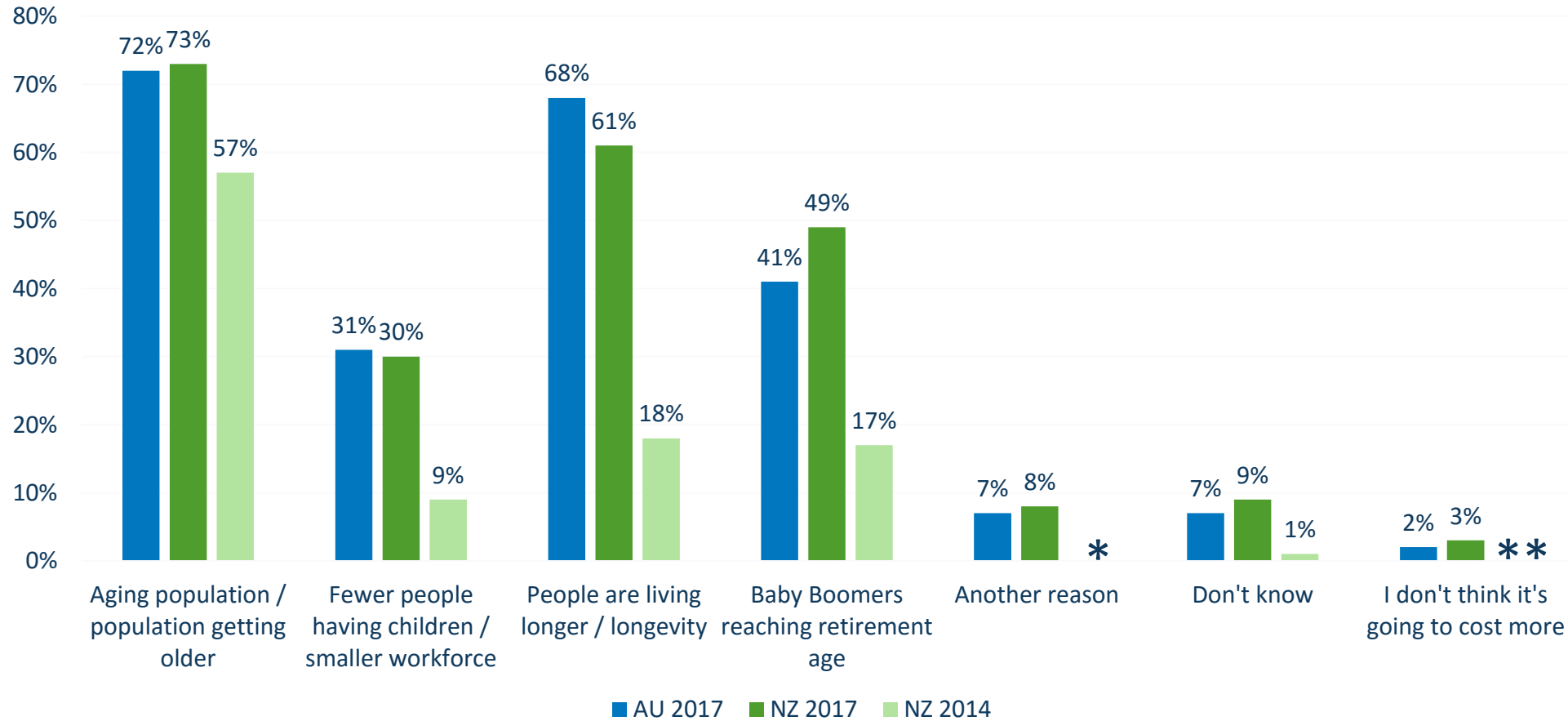
AU: The Age Pension currently costs just under 3% of Australia’s GDP, which is the total dollar value of all goods and services produced by Australia and tax subsidies for superannuation add another 1.6%. Even with the increase in the pension age to 67 by 2023, the Australian Treasury expects these percentages to increase over the next 50 years. Do you think the cost of Age Pension could...
3.

NZ: Public health care and aged residential care subsidies currently cost just over 6% of New Zealand’s GDP and this is also expected to increase as the population ages. Do you think the cost of public health care and aged residential care subsidies in 2060 will...?

AU: Federal public health care and aged residential care subsidies currently cost just over 5% of Australia’s GDP and this is also expected to increase as the population ages. Do you think the cost of Federal public health care and aged residential care subsidies in 2060 will...?

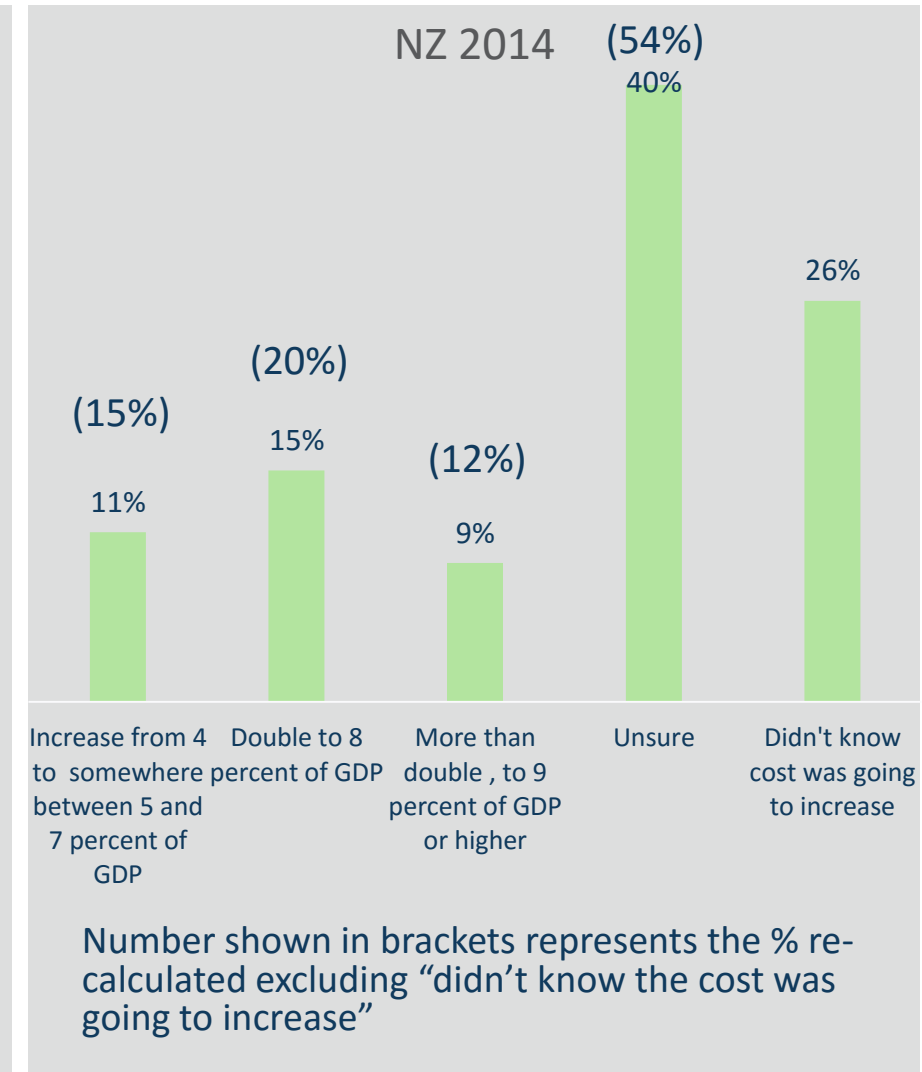
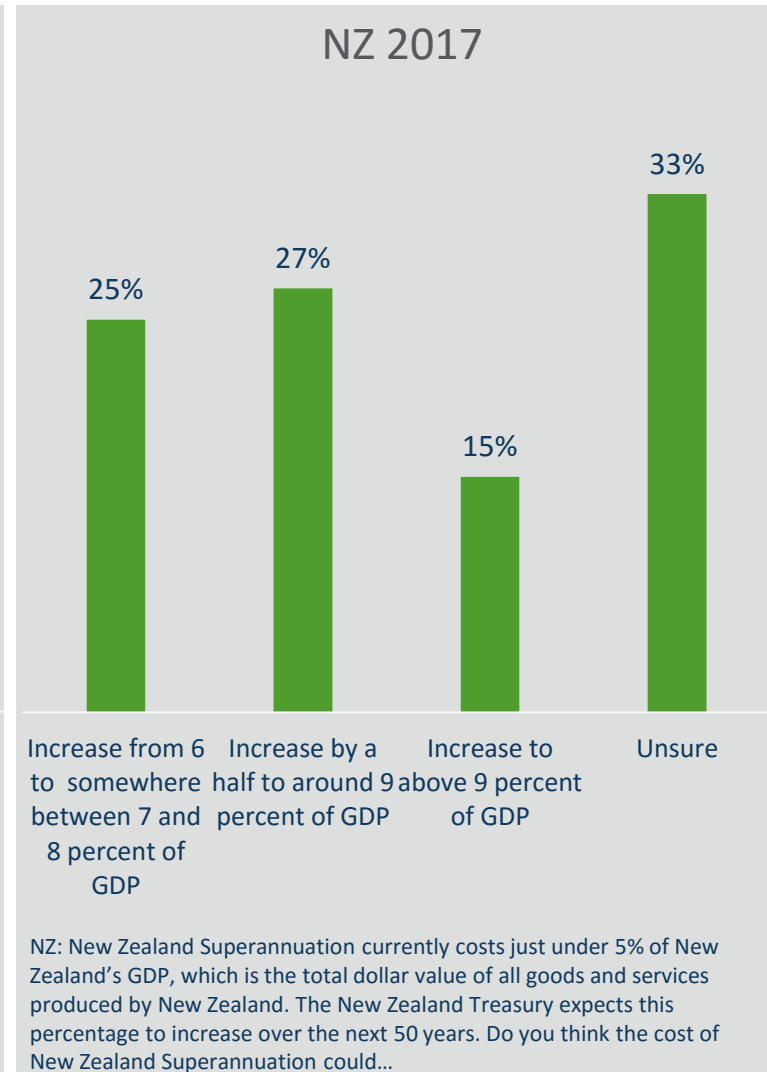
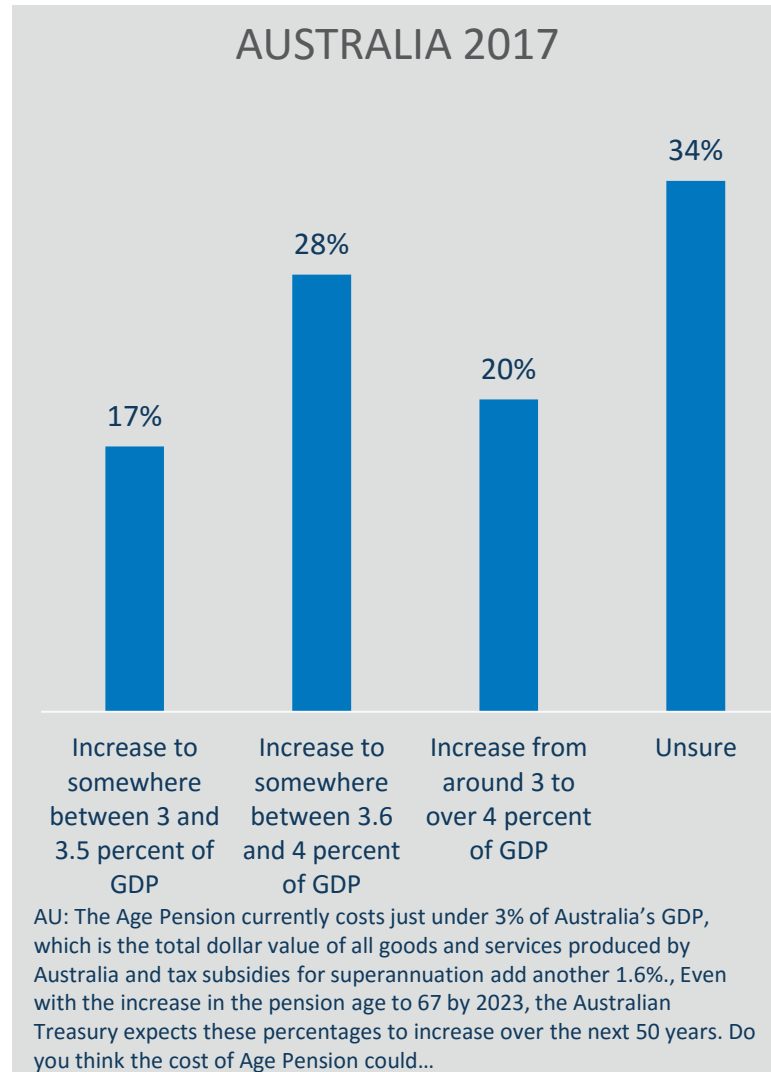
What do people believe is increasing cost?

Asked of information group only in 2017.

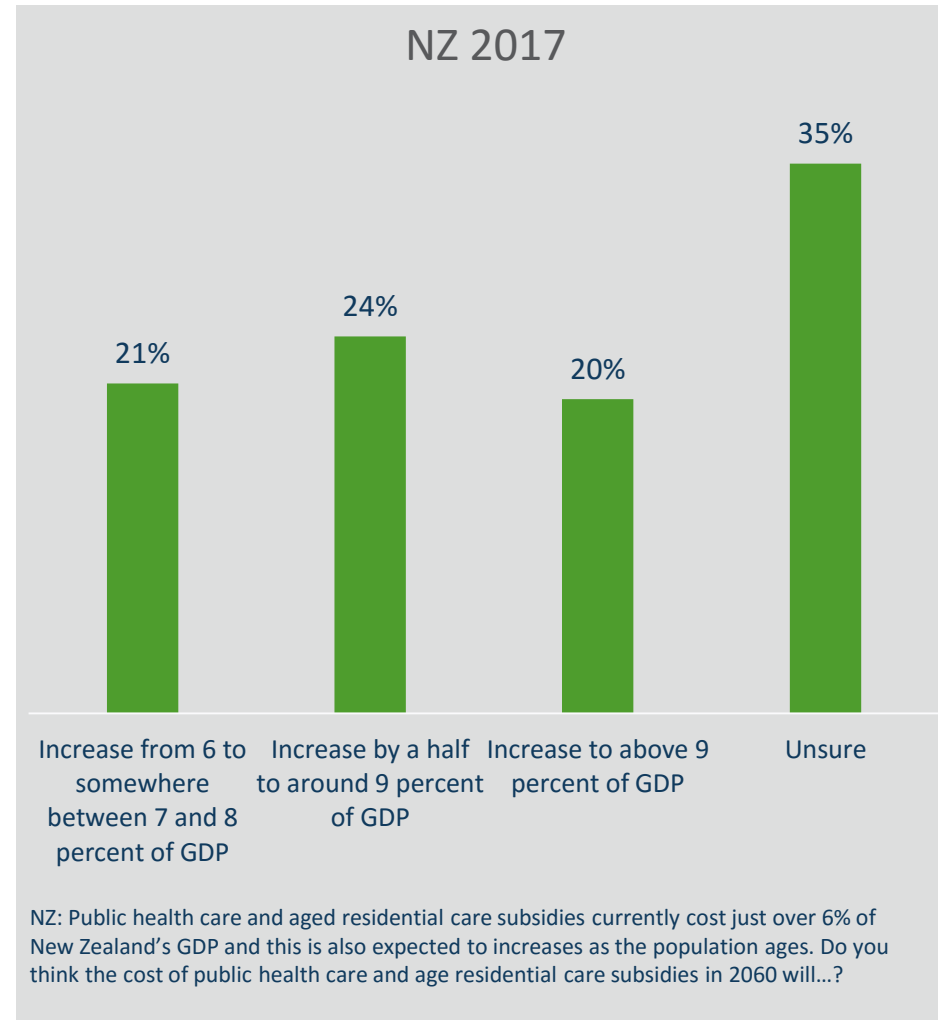


Anticipated level of increase in cost of Age Pension/ NZ Super

Asked of information group only in 2017.



Anticipated level of increase in cost of health care and aged residential care. Asked of information group only in 2017.



Dealing with increasing costs of NZ Super and Age Pension

Section summary

In New Zealand the highest level of support for dealing with increased cost is for income and asset testing, or increasing either current or future taxes. This is in line with findings from 2014.

There is a strong level of opposition to lowering the amount of NZ Super paid so that everyone receives less.

Australians show similar opinions to New Zealand – the highest support is for income and asset testing, and strongest opposition to reducing the amount paid across the board.

Of note is that for these questions (in both countries) people responding were split into an 'information group' and 'non-information group'. The information group were asked extra questions and given more information to help judge what options are preferred to help deal with the increase in future costs.

When we compare the responses from the information and non-information group, there is no real difference between the two groups in terms of how they respond to questions.

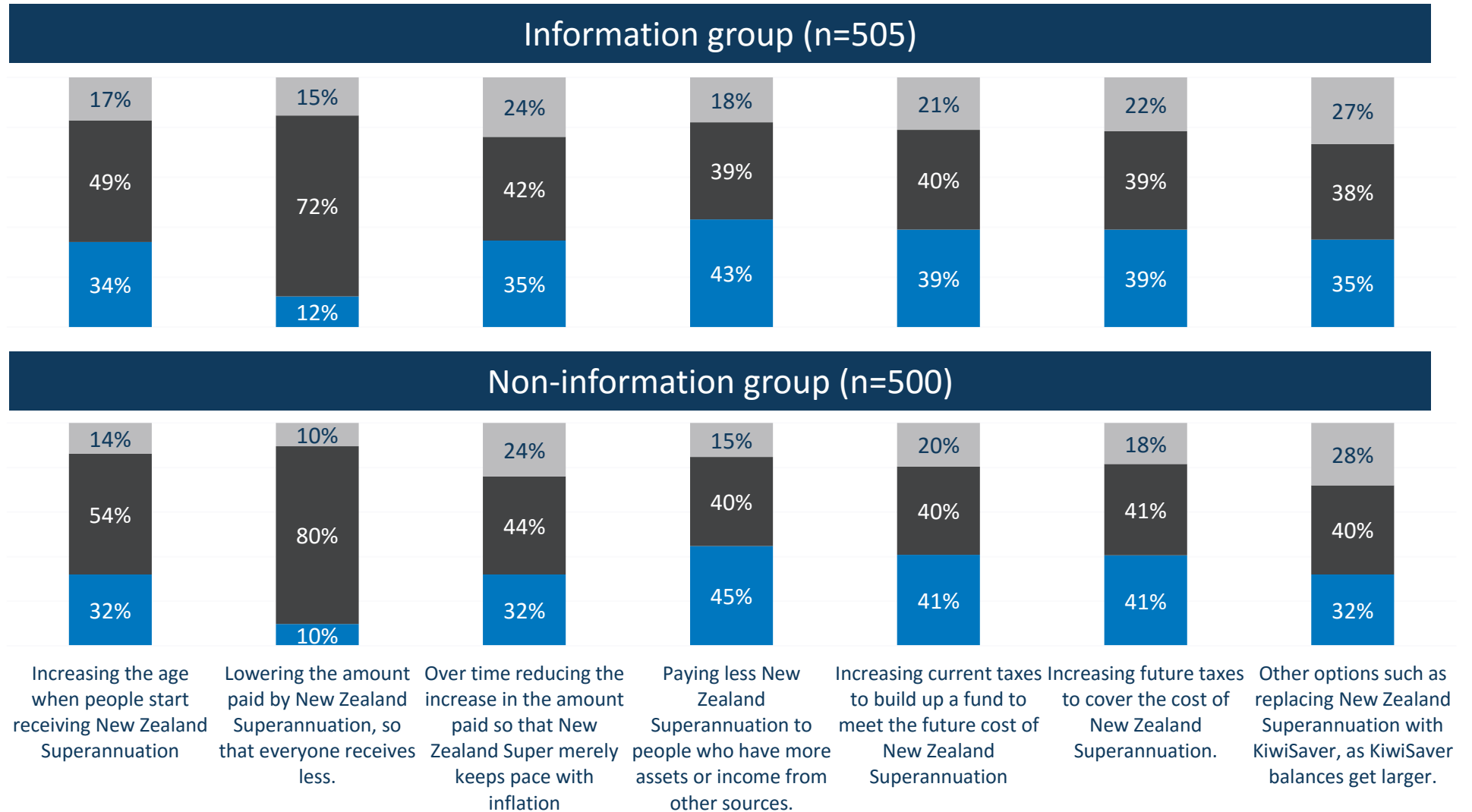
Preferences for addressing the increasing cost of NZ Super (NZ only)

Extra information given to the information group:

Because New Zealanders are living for longer, the total cost to the taxpayer of New Zealand Superannuation is expected to nearly double over the next 50 years. At the same time, public health care and aged residential subsidies are projected to increase by over 66%. If New Zealand is to prevent significant increases in costs of New Zealand Superannuation, some changes will have to be made either to the scheme or how it is paid for.

Question asked of all (information and non-information group):

Listed below are a number of possible changes that could be made to New Zealand Superannuation, for each please indicate whether you support or oppose the change. Please note: these changes are not exclusive – you can select all, any, or none to support or oppose.



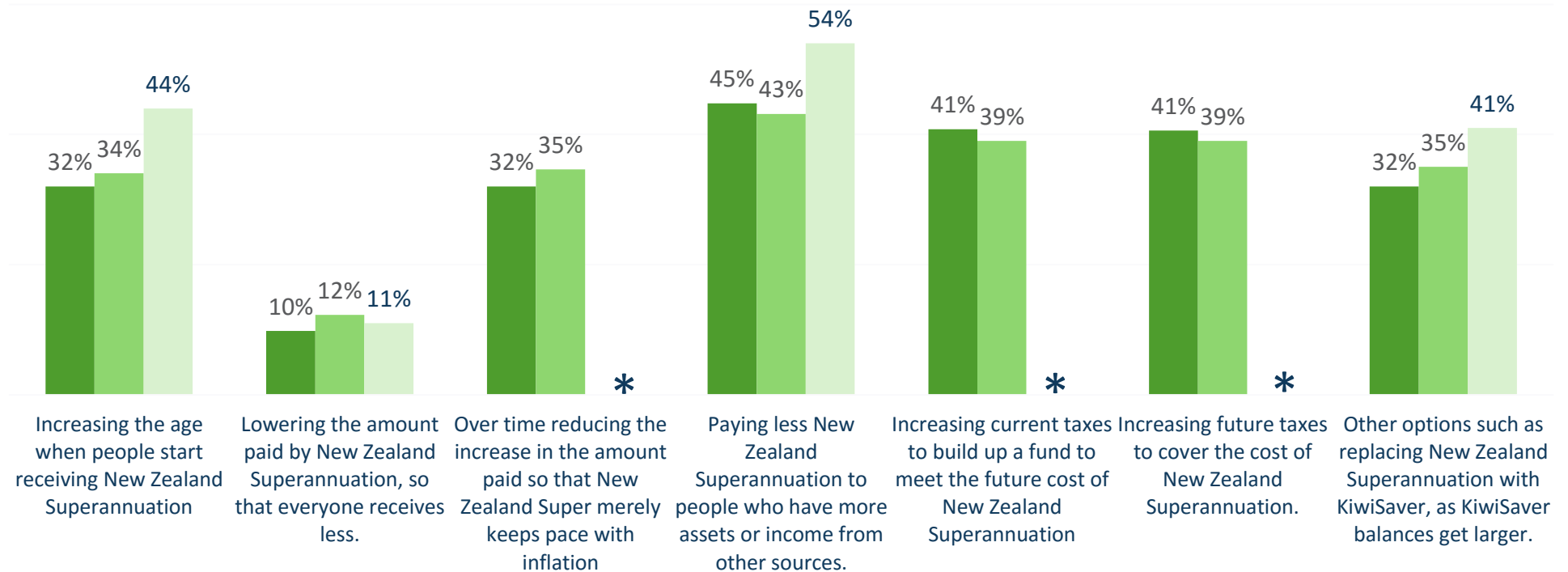
2014 comparison: Preferences for addressing the increasing cost of NZ Super (NZ only) - % selecting “support” for each option

Extra information given to the information group:

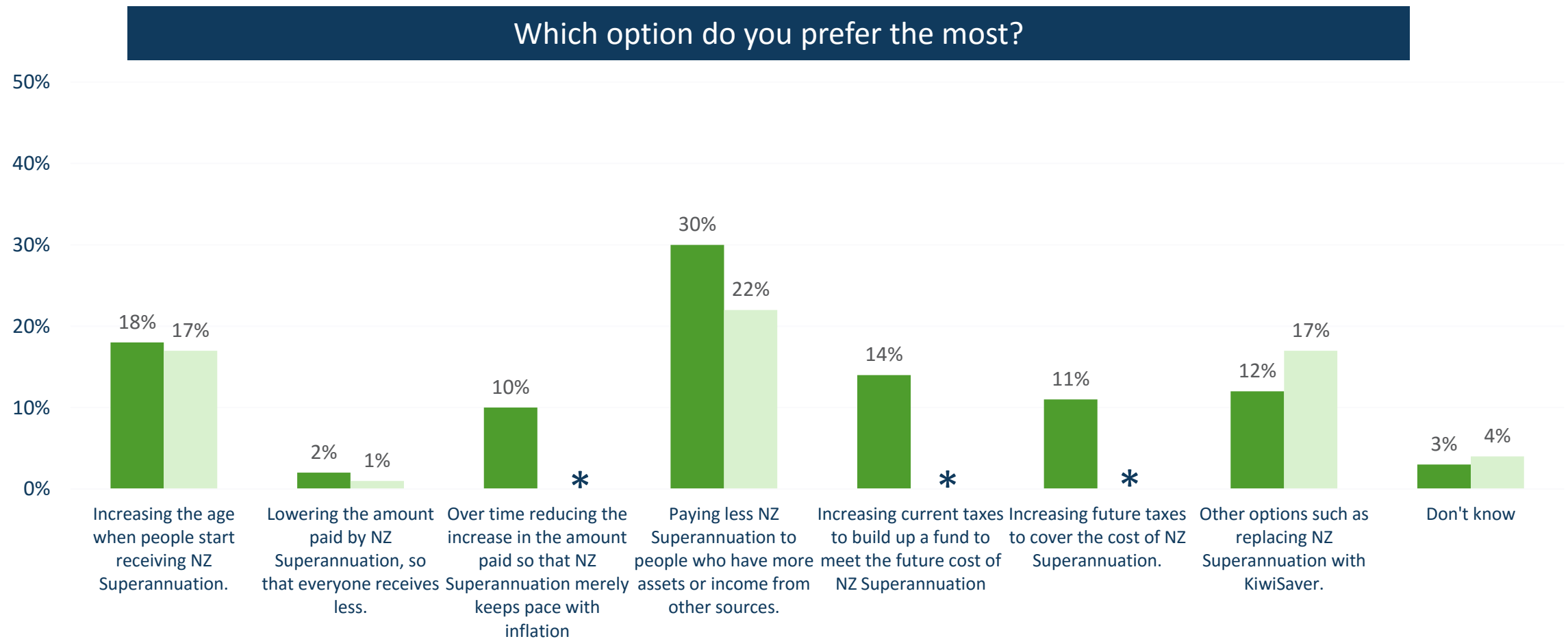
Because New Zealanders are living for longer, the total cost to the taxpayer of New Zealand Superannuation is expected to nearly double over the next 50 years. At the same time, public health care and aged residential subsidies are projected to increase by over 66%. If New Zealand is to prevent significant increases in costs of New Zealand Superannuation, some changes will have to be made either to the scheme or how it is paid for.

Question asked of all (information and non-information group):

Listed below are a number of possible changes that could be made to New Zealand Superannuation, for each please indicate whether you support or oppose the change. Please note: these changes are not exclusive – you can select all, any, or none to support or oppose.



Main preferred option for addressing the increasing cost of NZ Super (NZ only)



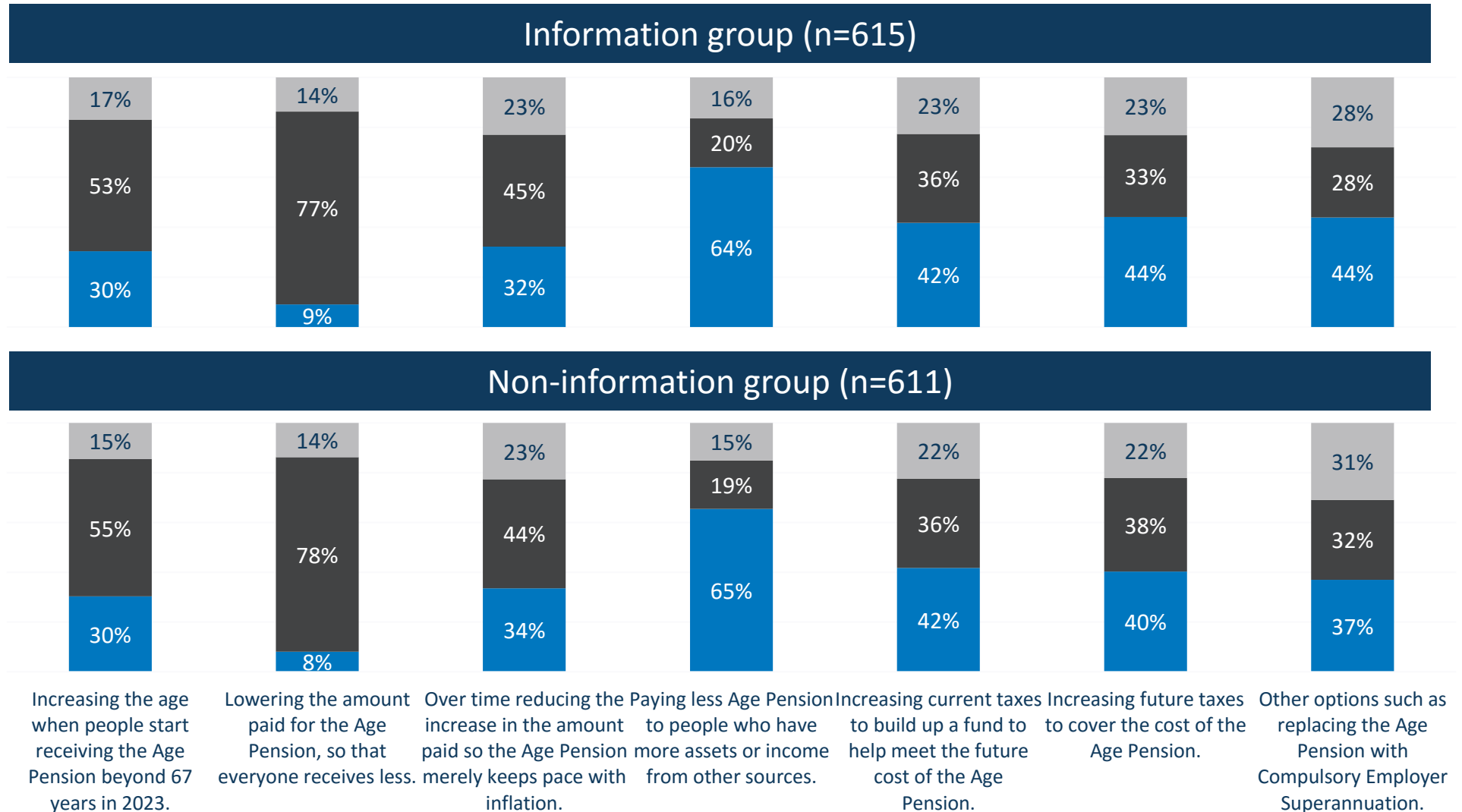
Preferences for addressing the increasing cost of Age Pension (AU only)

Extra information given to the information group:

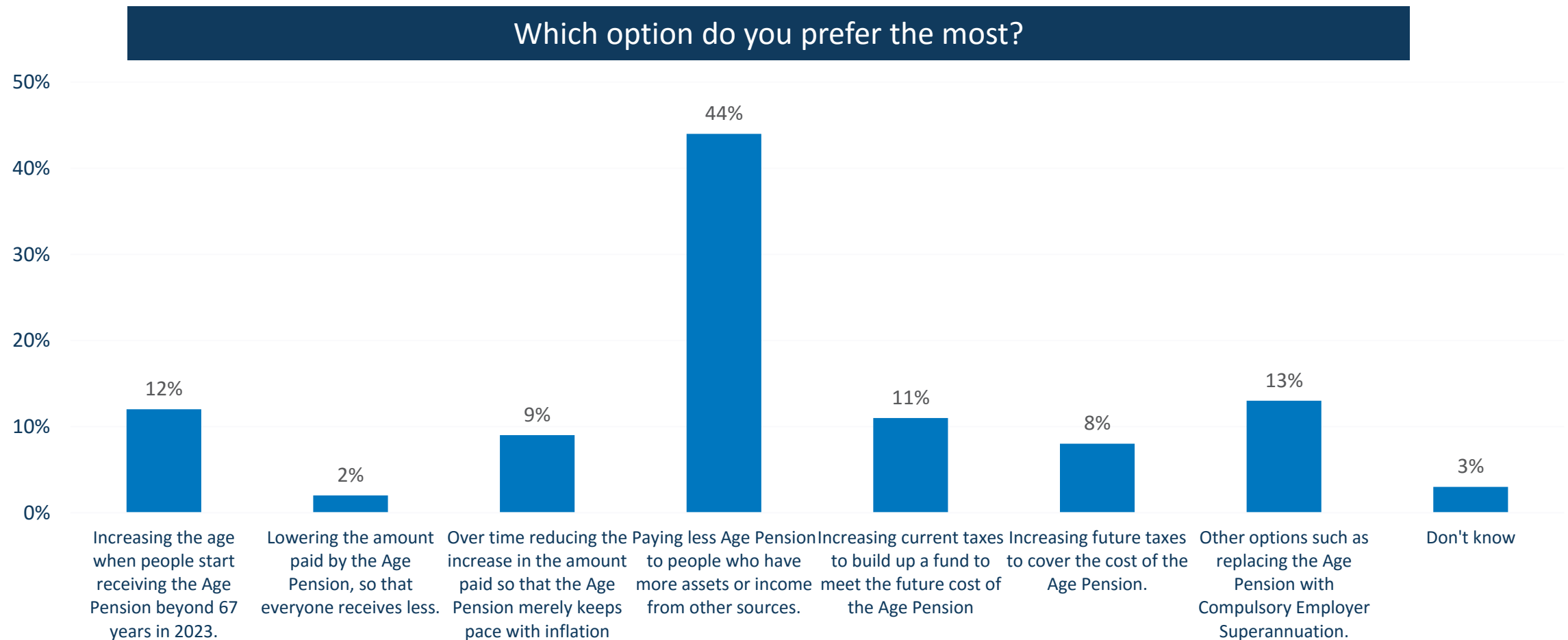
Because Australians are living for longer, the total cost to the taxpayer of Age Pension would increase by a quarter over the next 50 years if the age of eligibility for the pension is not increased. At the same time, federal public health care and aged residential subsidies are projected to increase by just under 50%. If Australia is to prevent significant increases in costs of the Age Pension, some changes will have to be made either to the scheme or how it is paid for.

Question asked of all (information and non-information group):

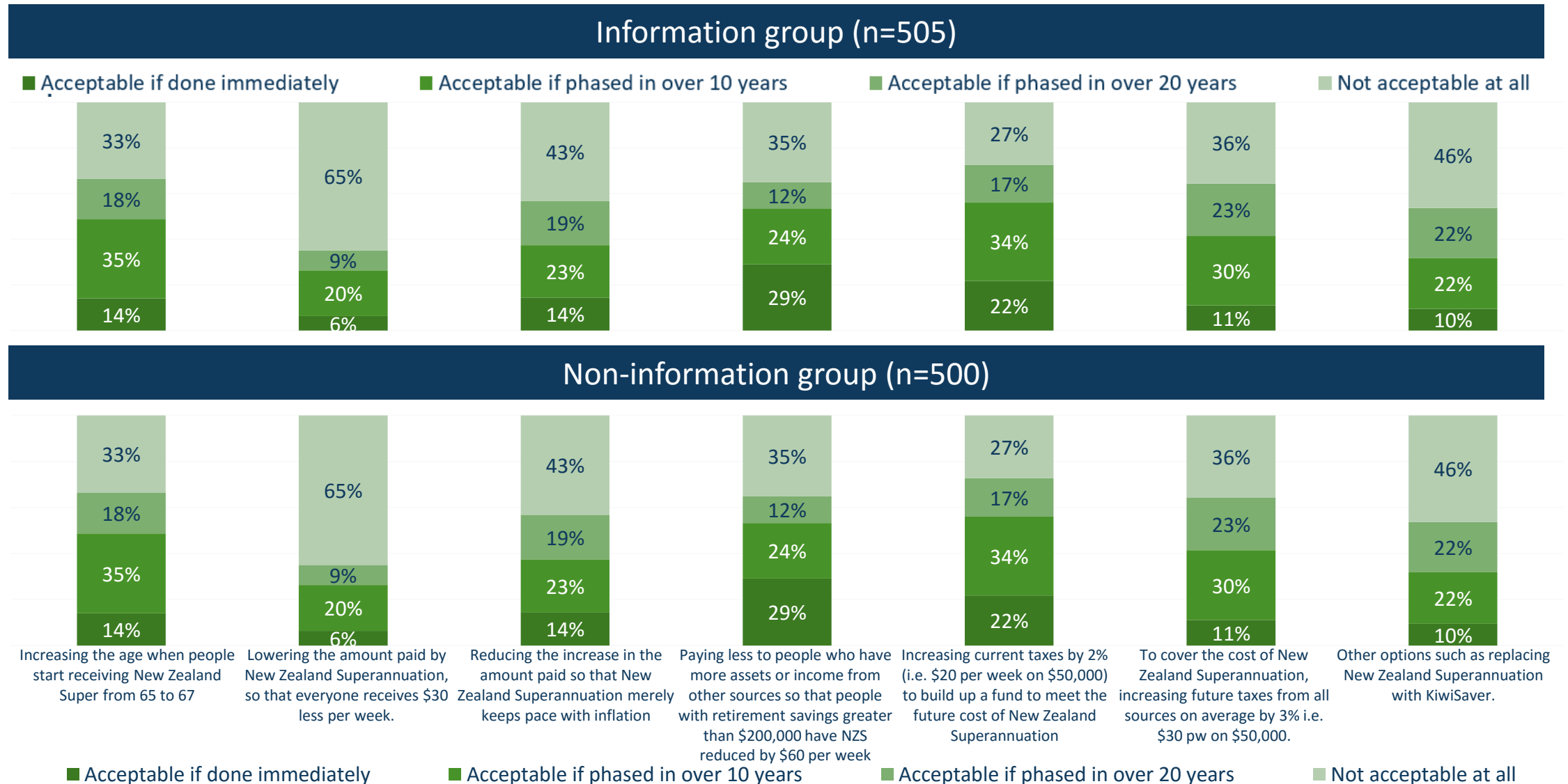
Listed below are a number of possible changes that could be made to Age Pension, for each please indicate whether you support or oppose the change. Please note: these changes are not exclusive – you can select all, any, or none to support or oppose.



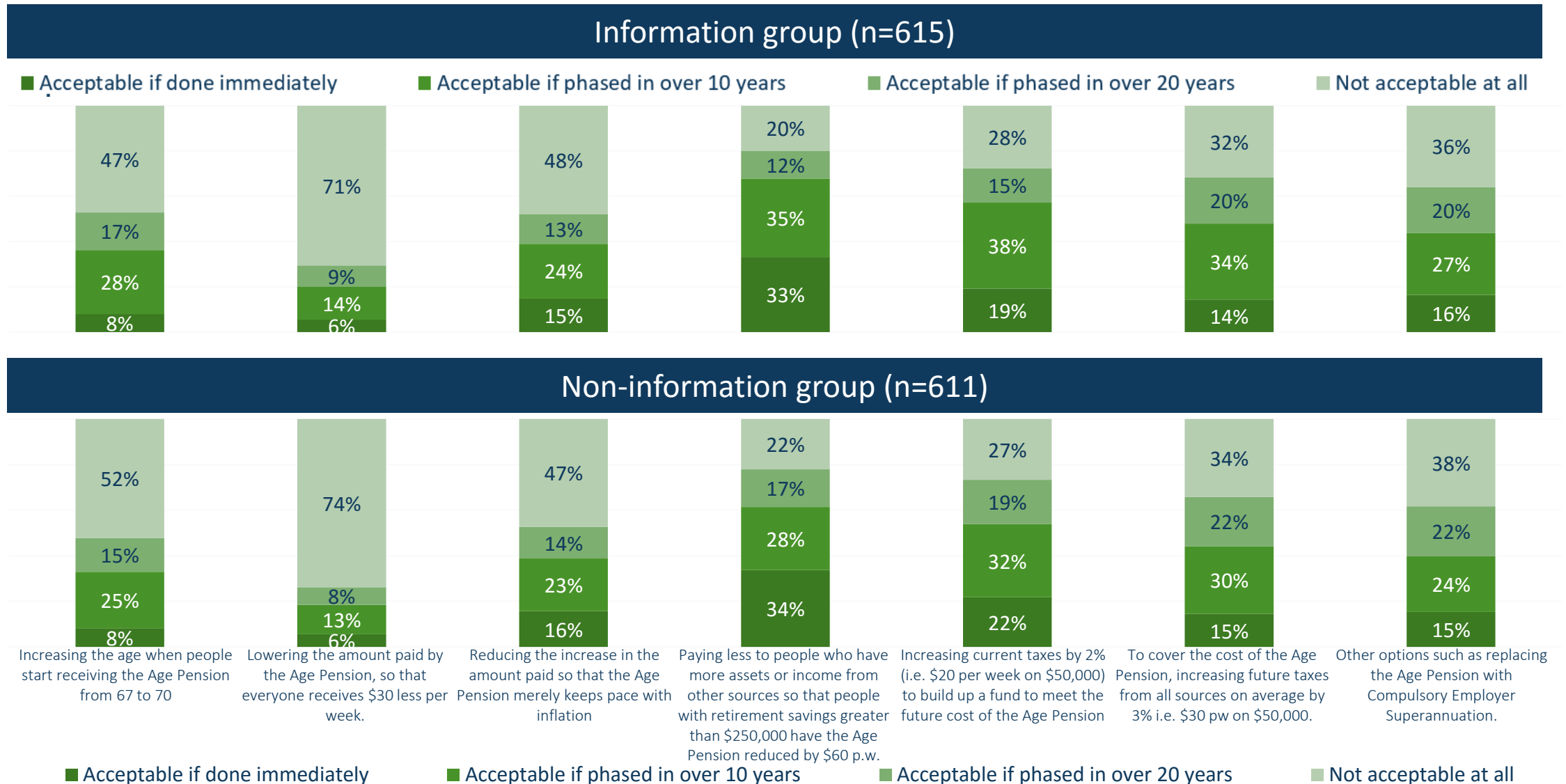
Main preferred option for addressing the increasing cost of Age Pension (AU only)



Acceptability of changes now and in the future (NZ only)



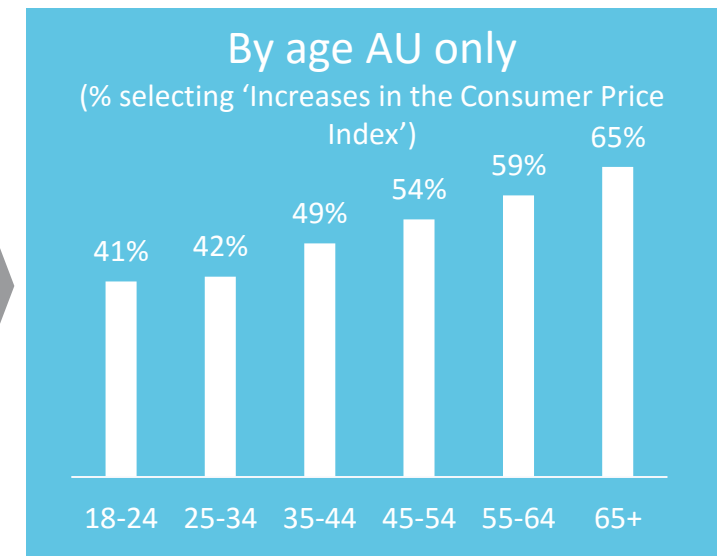
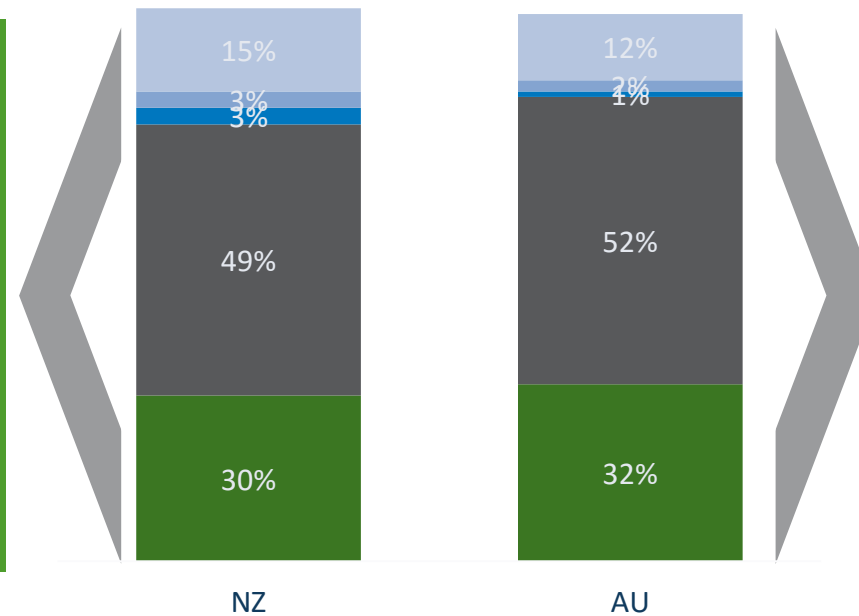
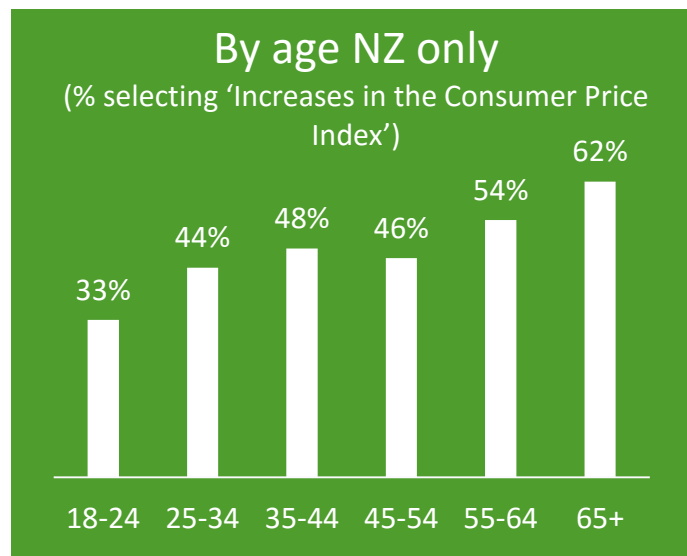
Acceptability of changes now and in the future (AU only)



How should increases to NZ Super/ Age Pension be indexed?

How should increases be calculated?

- Increases in wages
- Increases in the CPI
- Something else
- Shouldn't be increased
- Don't know



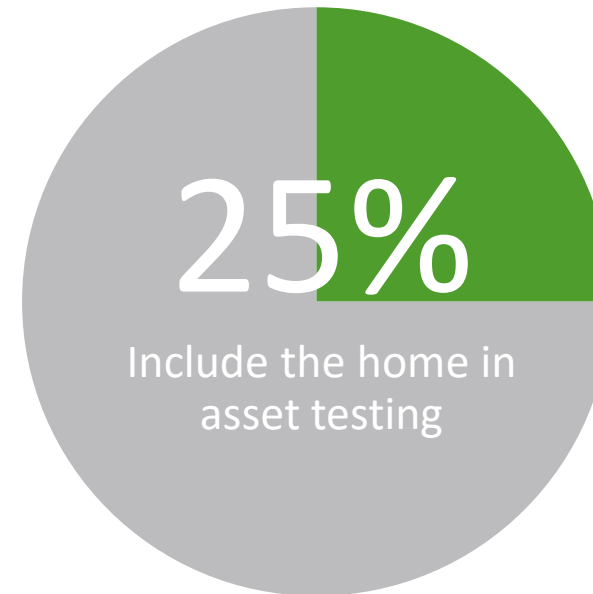
Should the family home be included in asset testing?

Australia 2017



AU: The pension is subject to both income and assets testing. However, the family home is effectively excluded as it is not included in these two tests. Should the family home (where the person eligible for Age Pension lives) be included within the pension assets test?

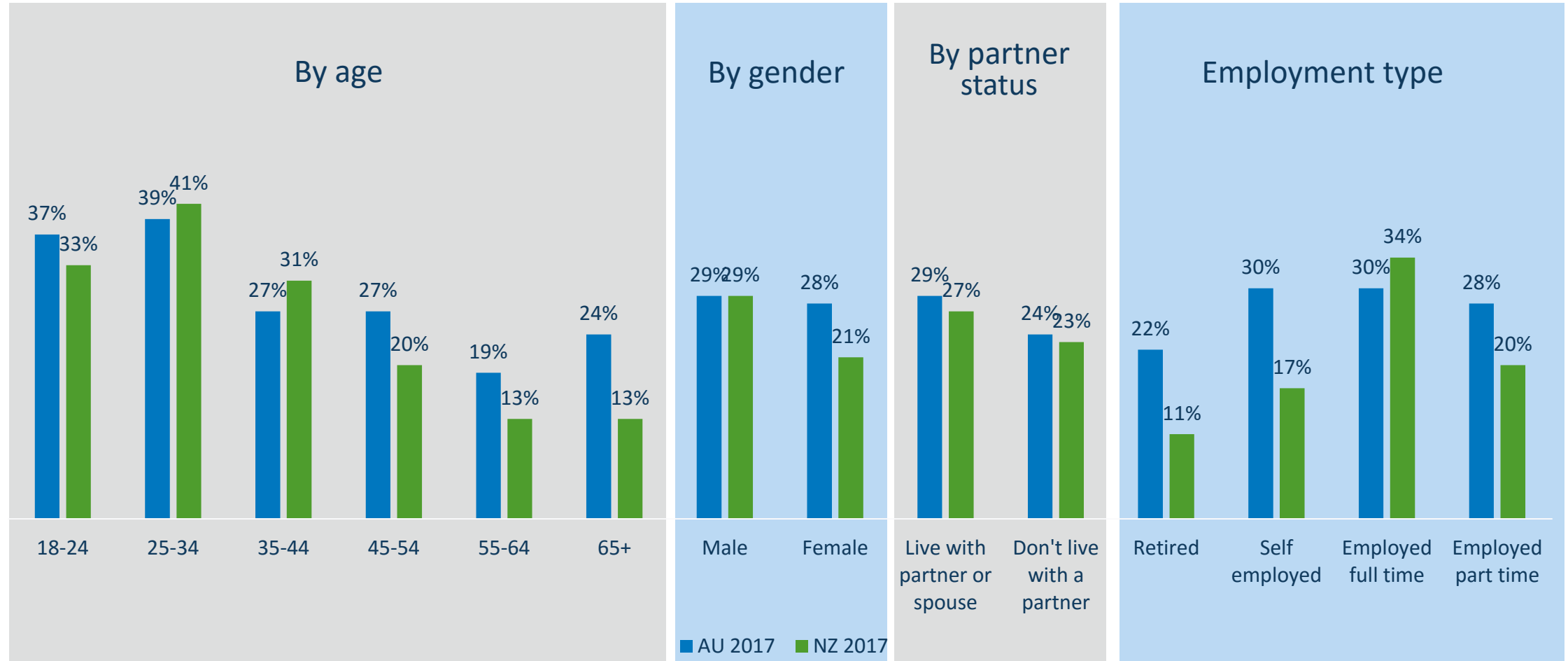
New Zealand 2017



NZ: Residential care subsidies are currently subject to an income and assets testing. If New Zealand Superannuation were to be asset tested, should the family home (where the person aged 65 or older lives) be included within the asset test?

Should the home be included in asset testing?

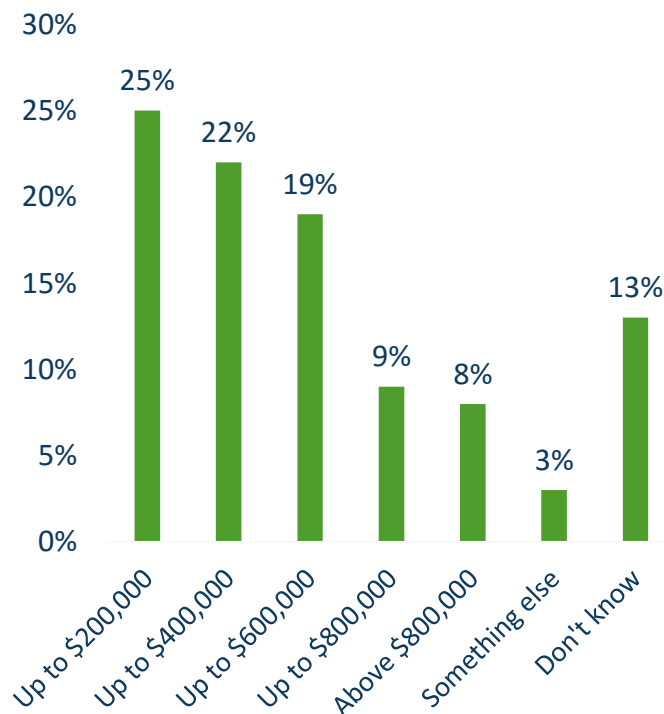
(chart shows % saying yes – should be included)



New Zealand income and asset testing

How much in assets if the home is INCLUDED in testing?

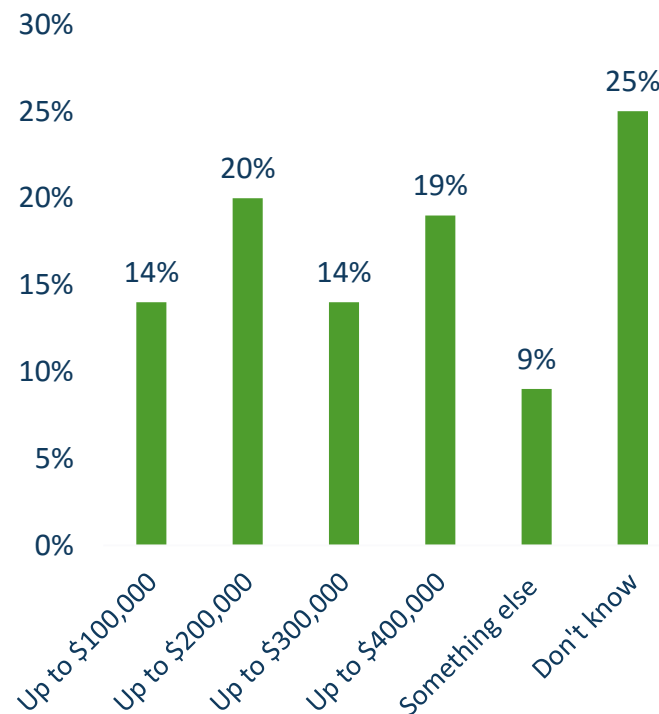
If the asset testing applied to New Zealand Superannuation, that **included** the family home, what amount of assets should a single individual be allowed to hold without being subject to asset testing (what should the threshold be for assets testing)?



Base: Asset testing should include the family home, n=264

How much in assets if the home is EXCLUDED from testing?

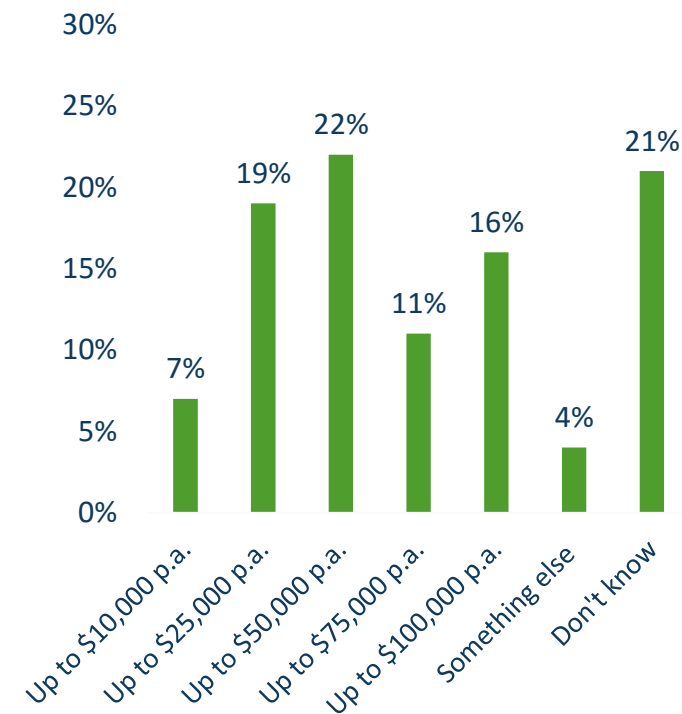
If the asset testing applied to New Zealand Superannuation, that **excluded** the family home, what amount of assets should a single individual be allowed to hold without being subject to asset testing (what should the threshold be for assets testing)?



Base: Asset testing should not include the family home, n=741

What level of income testing?

If New Zealand Superannuation were to be income tested, what amount of pre-tax income would be allowed for a single person before the income test takes effect (i.e. what should the threshold be for income testing)?

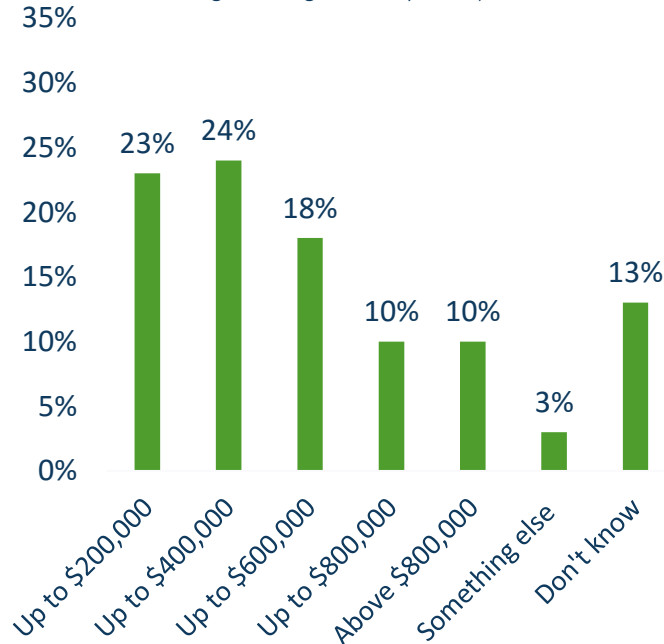


Base: Total sample n=1005

Australia income and asset testing

How much in assets if the home is INCLUDED in testing?

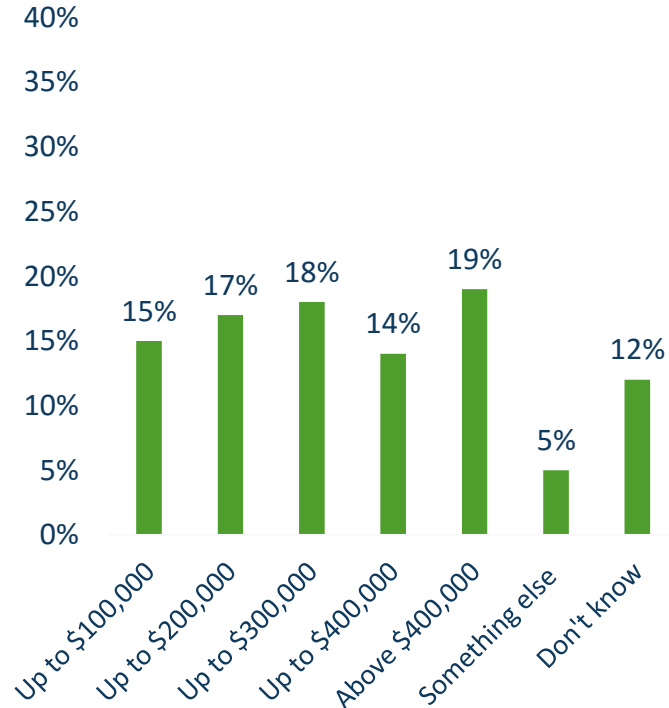
At present a single individual homeowner can have assets of \$250,000 (excluding their home) before the Age Pension is reduced. Non-homeowners can have \$450,000 of assets before the Age Pension is reduced. If the asset testing applied to the pension included the family home, what amount of assets should a single individual be allowed to hold without being subject to asset testing (what should the threshold be for assets testing including the family home)?



Base: Asset testing should include the family home, n=332

How much in assets if the home is EXCLUDED from testing?

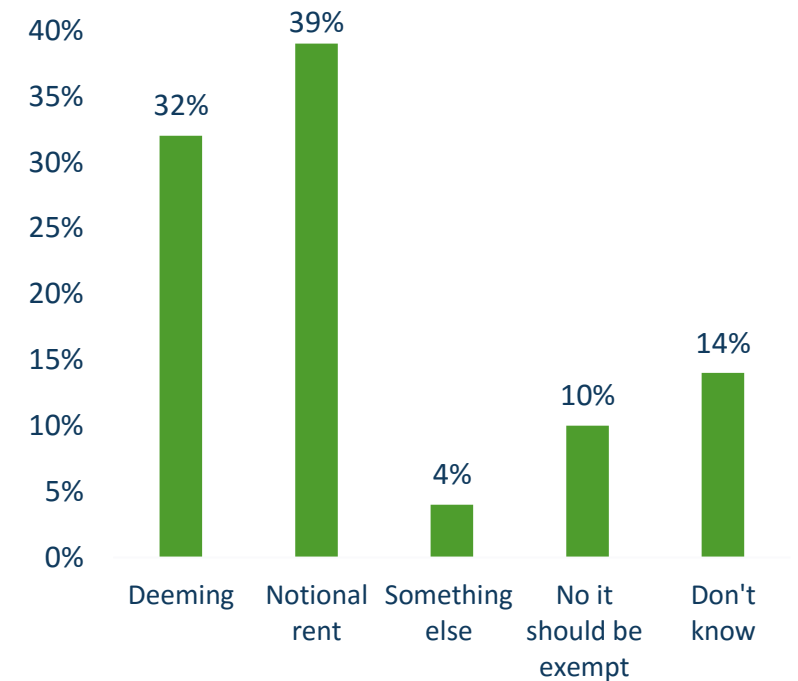
If the asset testing applied to the pension continues essentially to exclude the family home, what amount of assets should a single individual be allowed to hold without being subject to assets testing (what should the threshold be for assets testing)?



Base: Asset testing should not include the family home, n=764

Deeming

If the income testing applied to the pension included the family home, what sort of test should apply to the value of that home?



Base: Asset testing should include the family home, n=332

Retirement Survey AU/NZ

13/12/17

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