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Debate called for on Workplace Savings Report

The Retirement Commissioner, Diana Crossan, says today's report released by the Government on work-based savings, contained ideas which could change the face of New Zealand savings.

Ms Crossan said the Retirement Commission's field work suggested that people needed easily accessible mechanisms to turn savings into a habit.

"By making workplace savings easier, more rewarding, and the standard, we could substantially boost the financial position of individuals and the country as a whole," Ms Crossan says.

"Workplace-based savings can be one of the easiest and most effective ways for people to save, as it takes savings directly out of pay before people are tempted to spend it.

She said recent research conducted by Grant Scobie and Trinh Le shows that being enrolled in a workplace scheme is associated with high levels of net worth, and higher savings in other areas as well. (Source <http://www.treasury.govt.nz/workingpapers/2004/04-08.asp>)

However, Ms Crossan also strongly emphasises the need for debate on this issue, and encourages people to make submissions.

"With any proposal there are always pros and cons, and these issues need to be widely debated and discussed by a wide range of people. There's definitely a need for discussion to get responses from the broader community."

She says that the report recognises that further research and discussion needs to be had.

"More research would need to be done to see if certain aspects of the idea can be implemented in a way that works for all employers and employees."

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