

A view from the Treasury

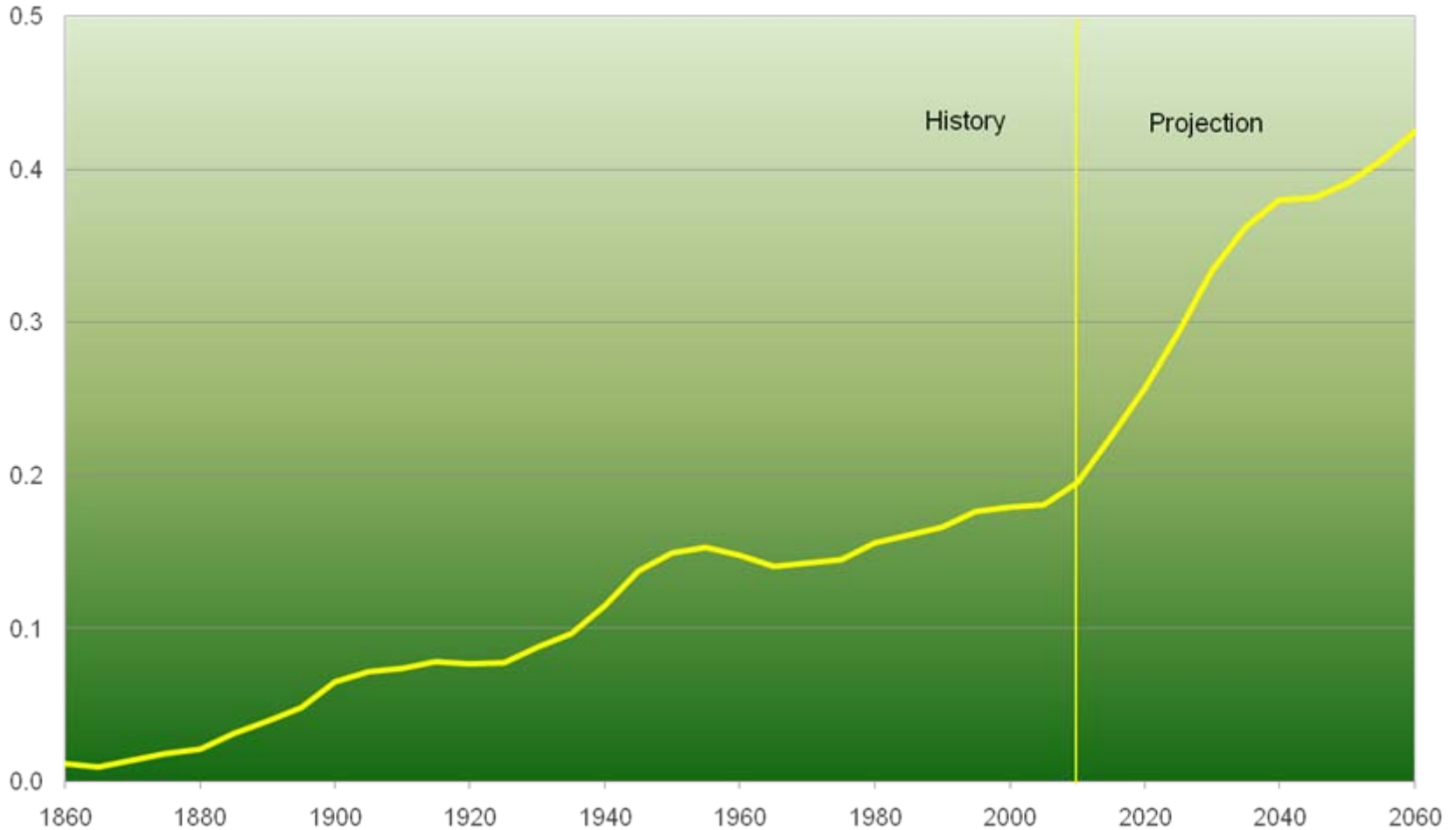
Conference on
Retirement Income
Policy and
Intergenerational Equity
*Day 2 – Fiscal
Perspectives Session*

22 July 2010

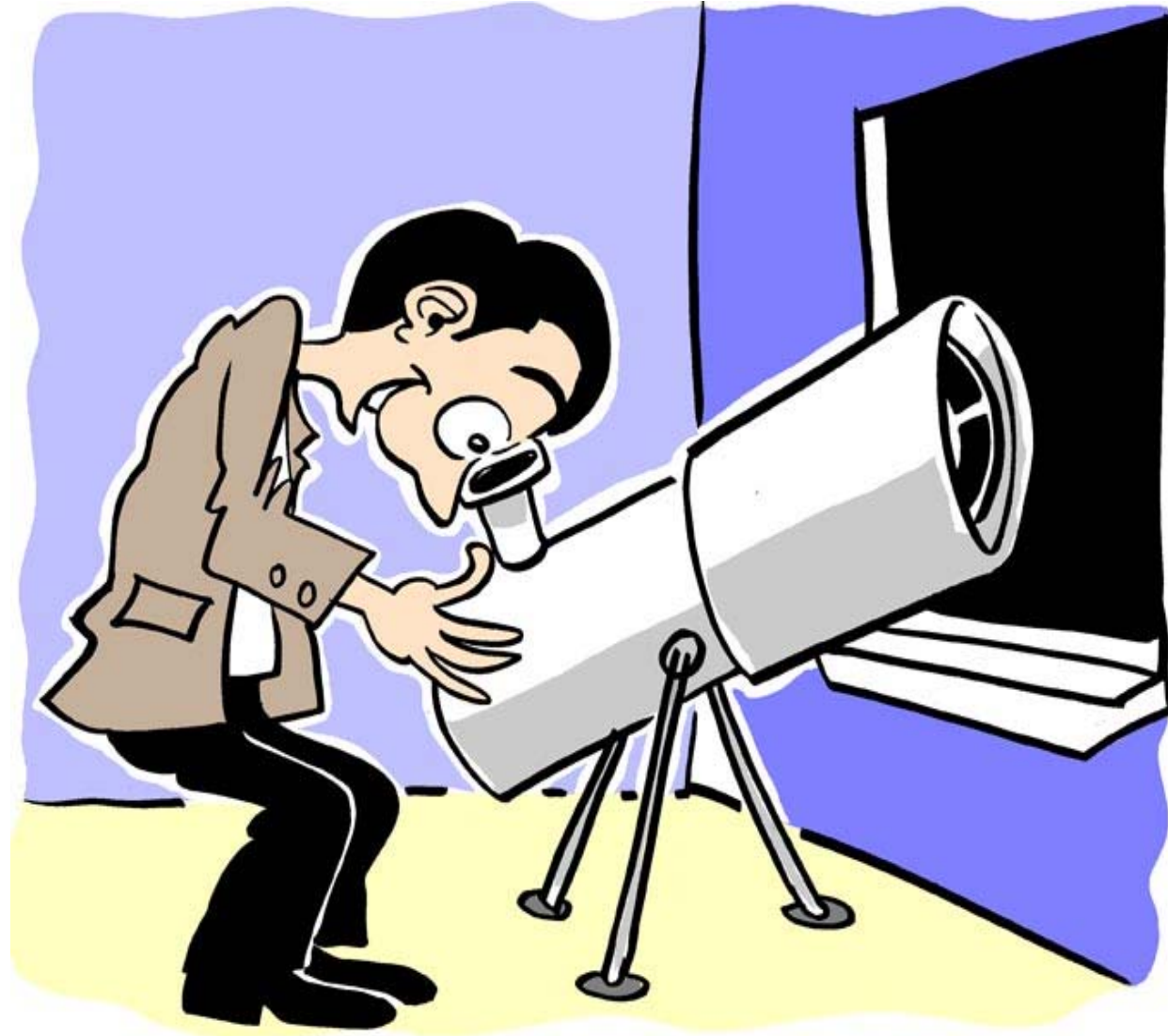


Underlying ageing process started soon after NZ was established and it is accelerating

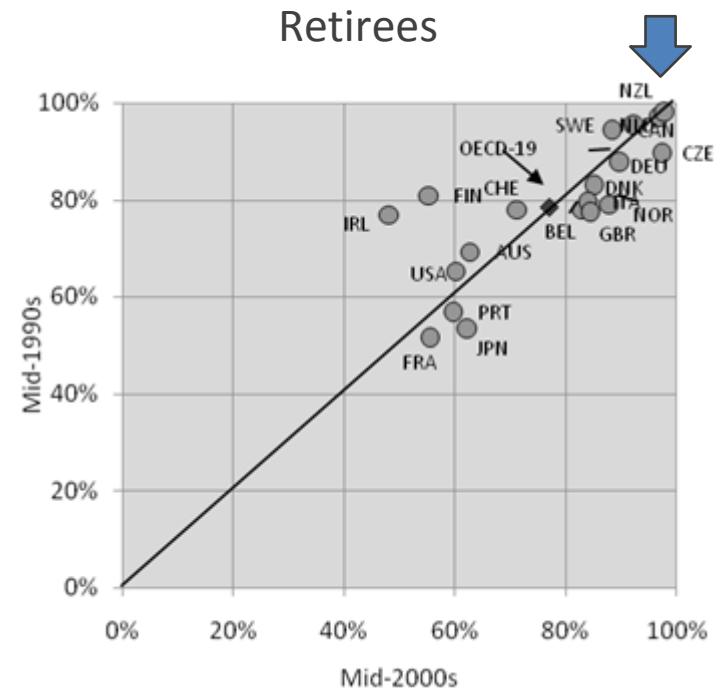
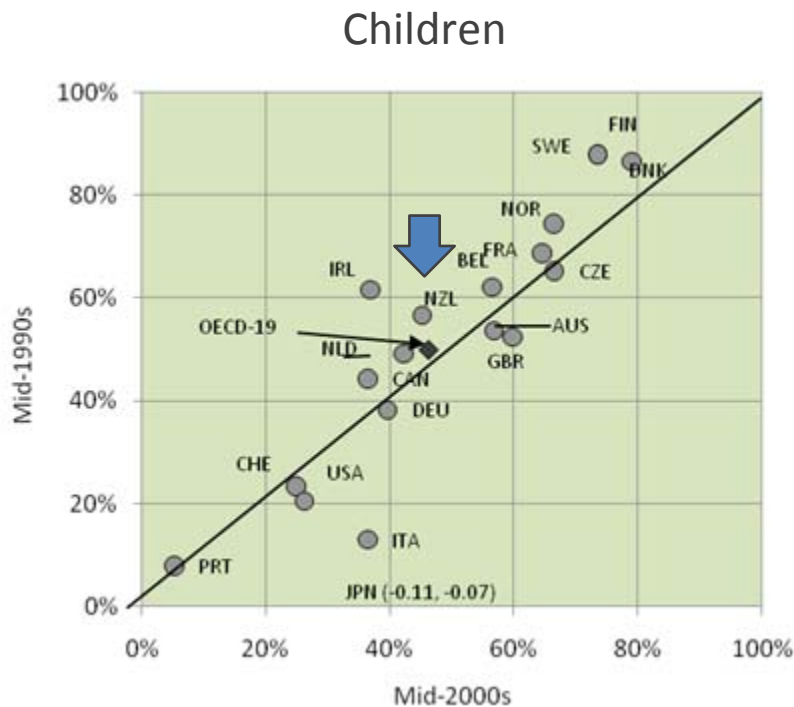
Age dependency ratio (65+ to 15-64)



Treasury must advise on policy choices by taking long-term fiscal effects into account



Child v elderly poverty: Effectiveness in poverty reduction via transfers

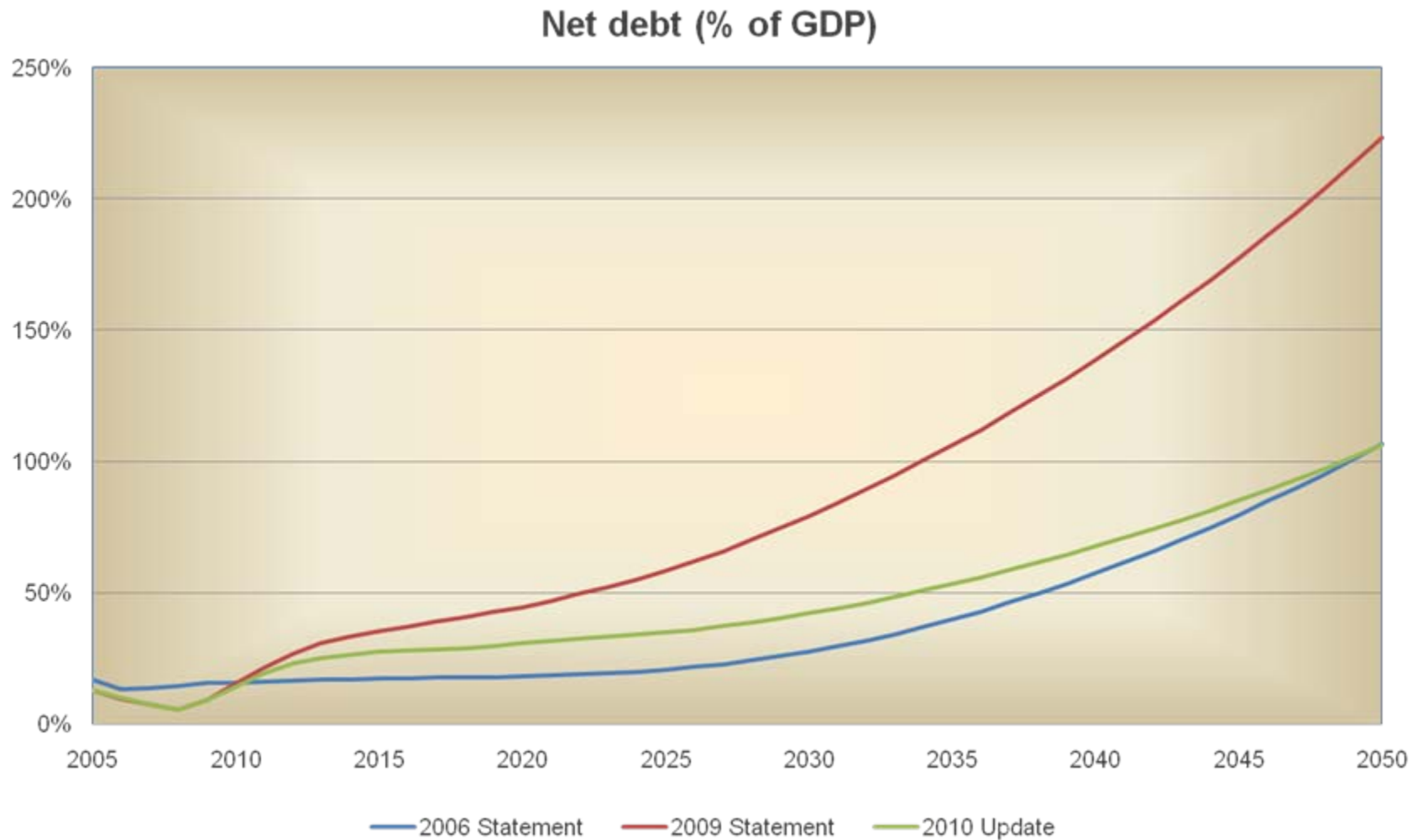


NZ Poverty rate amongst children 15% [worse than the OECD average of 13%];
 NZ is the best in the OECD in terms of combating poverty among the elderly
 Source: OECD "Growing Unequal?"

Population ageing, rising expectations and incomes increase pressures on all government spending



Degrees of unsustainability: Net debt - onward and ever upward



Projections indicative: sound warnings about need for policy reforms to stabilise growth of debt

