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## Jim Bolger, the PM who last raised the super age, says it has to be done again

John Weekes · 15:06, Mar 16 2017



ANDREW GORRIE/FAIRFAX NZ

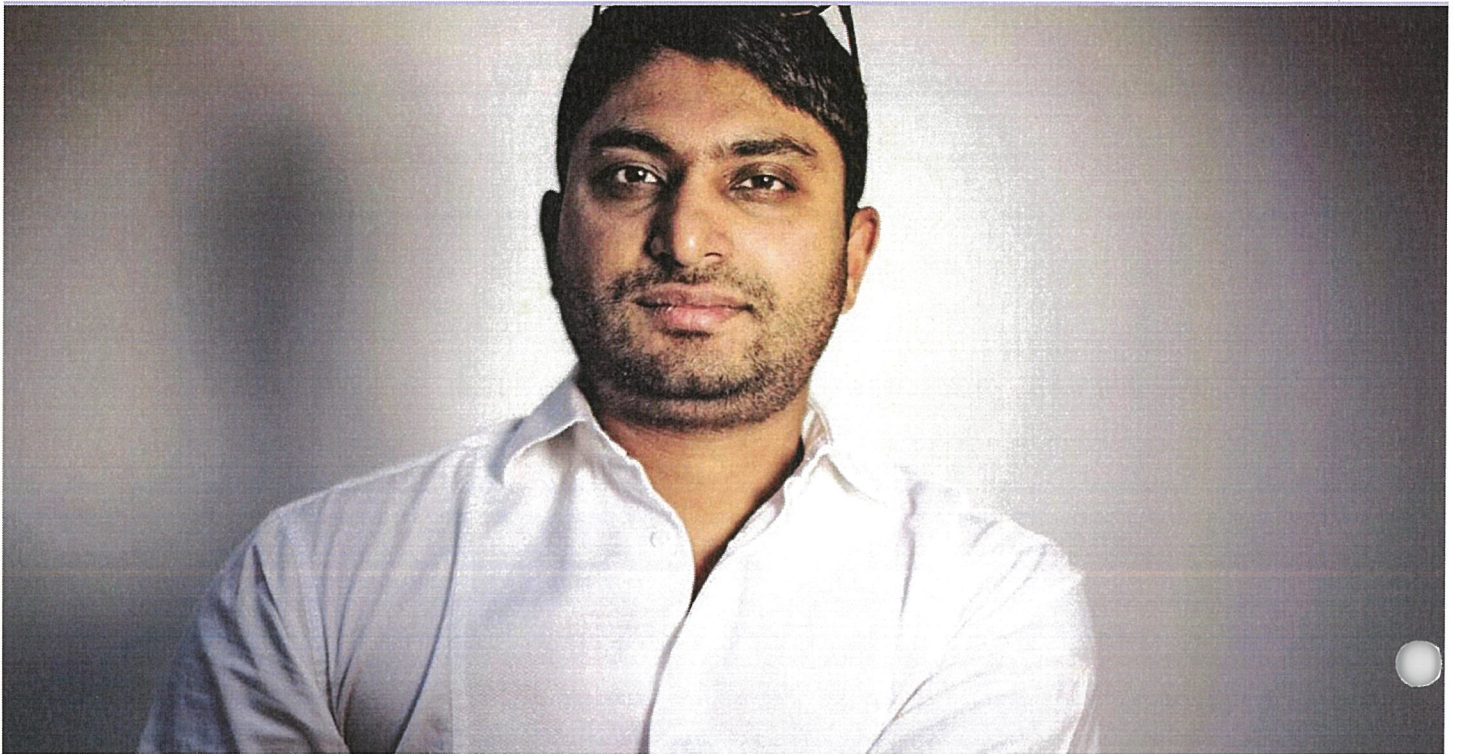
Bolger took the unusual step of publicly discussing domestic politics this week.

The man who oversaw a dramatic overhaul of New Zealand's contentious superannuation policy says the country must recognise a need to raise the age of entitlement.

But a leading economist says a lack of political courage is crippling the chances of adequately handling the challenges of an ageing population.

In a rare foray into discussing politics, former National prime minister Jim Bolger said Kiwis should "welcome" broader reasons for lifting the age of entitlement.

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LAWRENCE SMITH/FAIRFAX NZ

There is no "intellectual honesty" in our political conversations, economist Shamubeel Eaqub says.

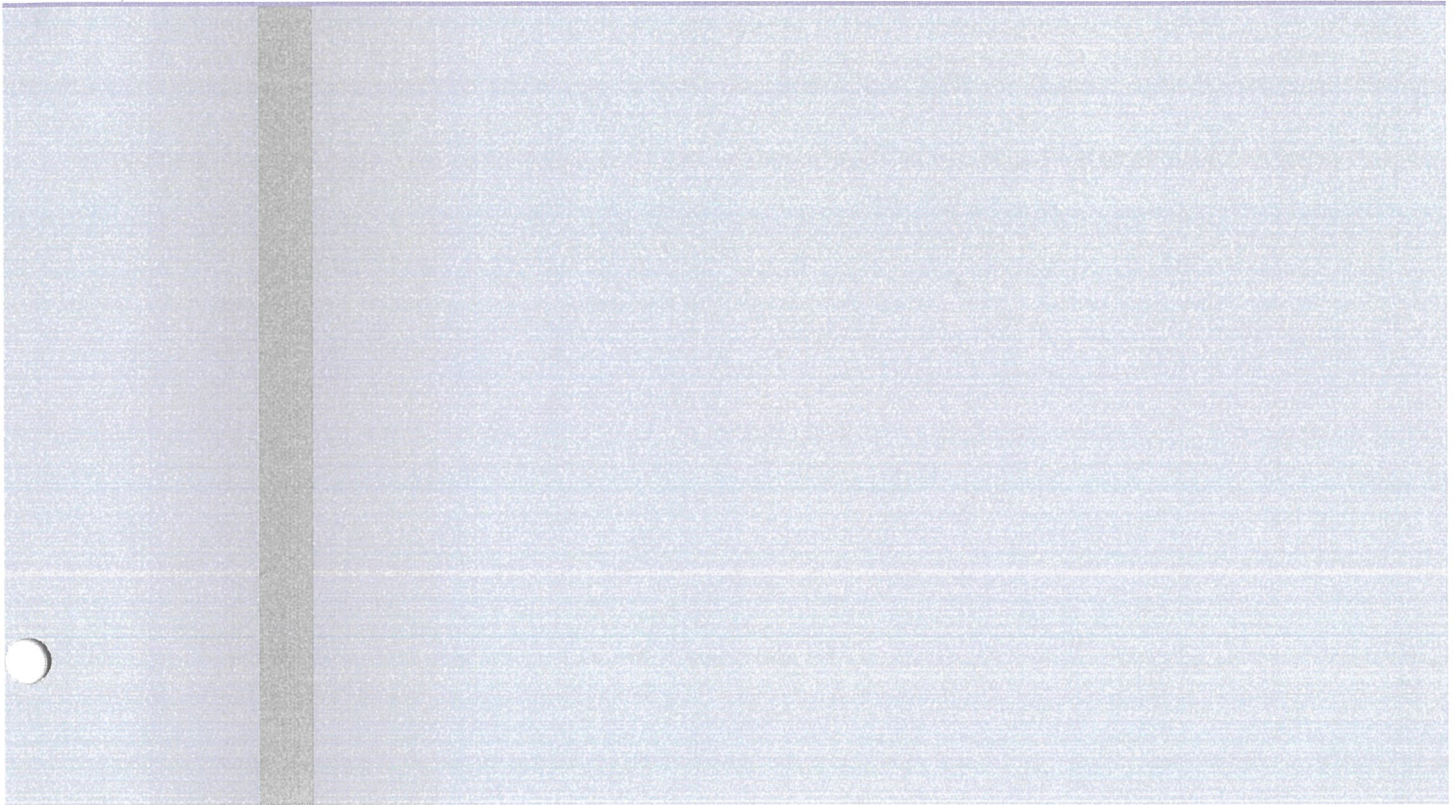
"We have to lift the age ... All it does is recognise we all live longer and healthier lives," he said this week.

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Debate intensified this month over raising the age from 65, but superannuation was a major issue for Bolger, and for his National predecessor Robert Muldoon.

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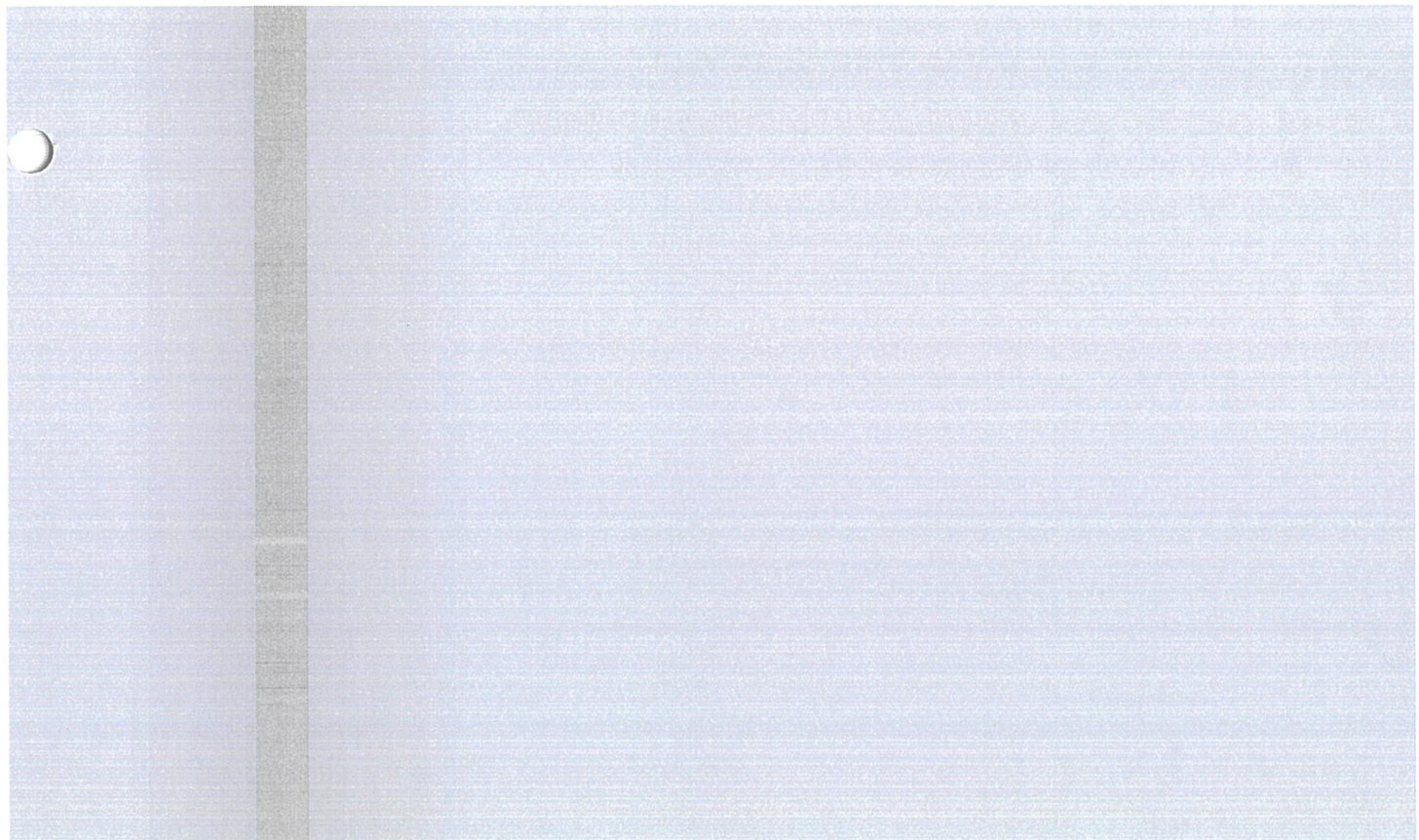
CAMERON BURNELL/ FAIRFAX NZ

Bill English proposed the entitlement age increase to 67, in gradual steps, only starting from 2037.

As prime minister, Muldoon dropped the age for universal pensions without means testing from 65 to 60. "In my view that was never affordable," Bolger said.

He spoke after [the emergence of US diplomatic cables](#) on WikiLeaks, discussing Muldoon.

Bolger said the economy was in a parlous state when he became PM in 1990.

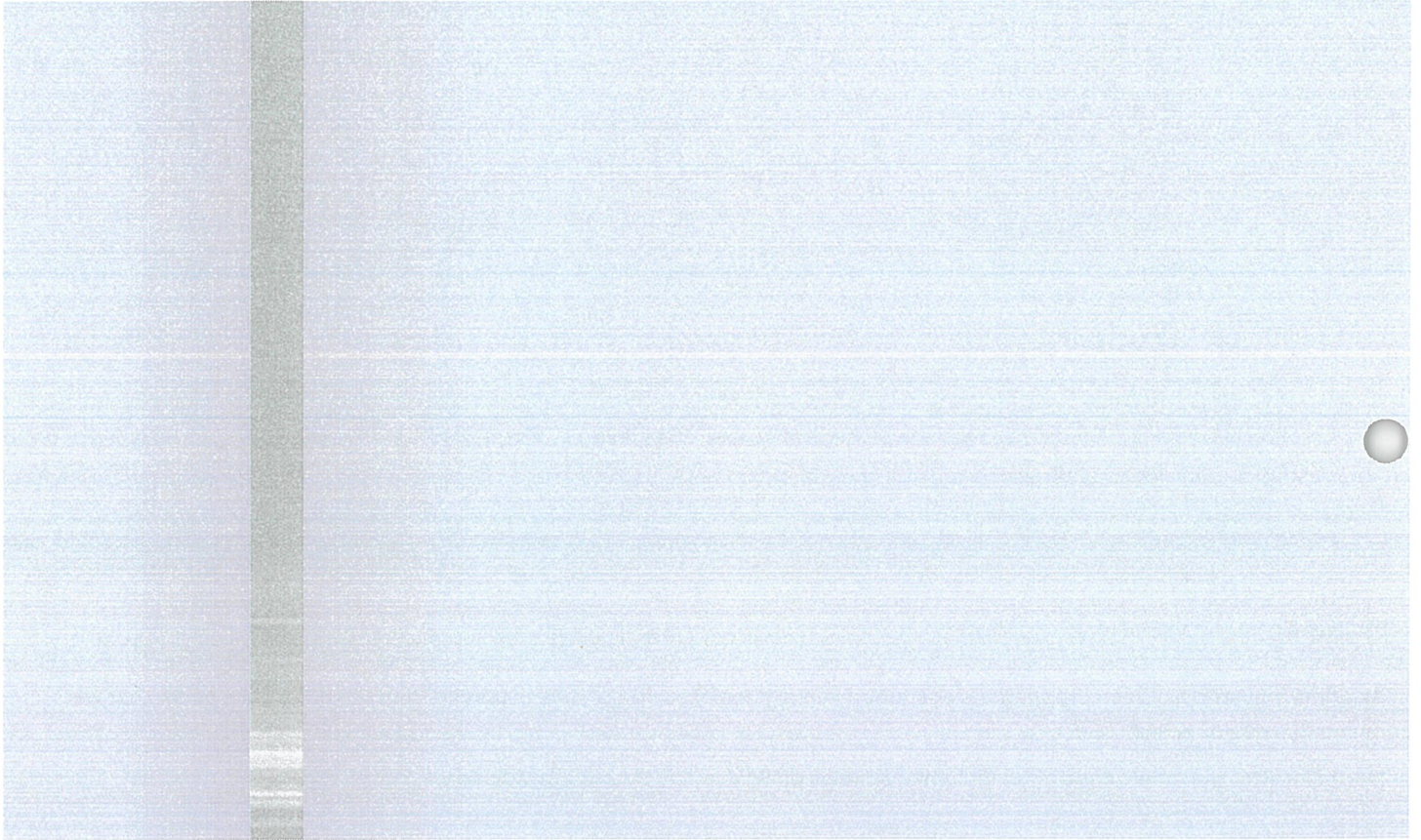


THE WHITE HOUSE

"When we got in, I was called to Wellington by officials on the day after the election to tell me about the [imminent] bankruptcy of the Bank of New Zealand if we didn't take over and rescue it."

He said he lifted the age again "because, frankly, we didn't have money" to stay at 60.

*P.* Age eligibility jumped to 61 by 1992, and 65 by 2001 – a far quicker rise than Prime Minister Bill English last week proposed.



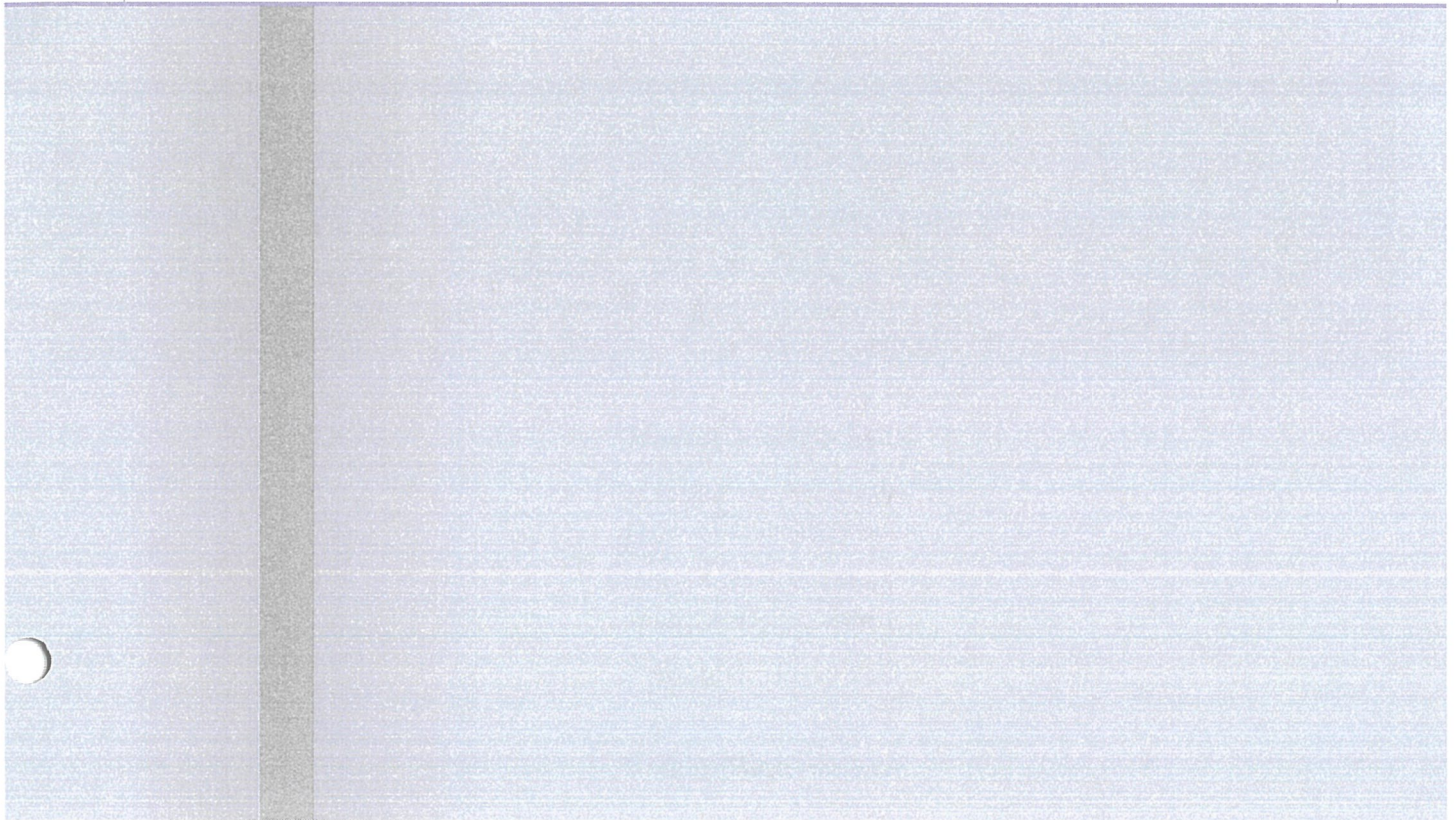
JASON DORDAY/FAIRFAX NZ

Labour's Andrew Little doesn't support the lifting the age by two years but wants payments to the NZ Superannuation Fund to resume.

Bolger urged different parties to work together on the issue now, although that would be difficult.

"We seem incapable as a society on agreeing what is fair, reasonable and affordable."

English proposed raising the age six months each year from 2037 to 2040.



IAIN MCGREGOR/FAIRFAX NZ

Winston Peters last week said the Government was "betraying the electorate" with its proposed retirement age increase.

Bolger said the economy was now in good shape, so English didn't face pressures that existed in 1990.

"He doesn't have to rescue any banks ... This is a very slow adjustment."

#### "CRAZY PROMISES"

Sense. Partners economist Shamubeel Eaqub said the Bolger government made "difficult and brave decisions, but they had to".

"Muldoon had dropped the entitlement age from 65 to 60. It was a pretty easy reversal back to 65 because people knew that Muldoon made all these crazy promises."

Eaqub called English's policy "cynical" but chastised other parties too, saying none were brave enough to stand up to older voters first.

English's policy would not affect Baby Boomers, or the oldest Generation X members - people born before July 1, 1972.

"If we really told people that you are going to be robbing your children and grandchildren ... we would [have] a very different type of conversation."

Eaqub said bold superannuation moves would rely on Labour and National reaching agreement.

Labour did not support lifting the age by two years but wanted to resume payments to the NZ Superannuation Fund.

Calls over many years for cross-party consensus had come to nothing, Labour leader Andrew Little told TV3's *The Nation* last weekend.

Little said ACT leader David Seymour made a commendable effort to build consensus, but ACT could not get National and other parties "across the line", so those efforts were doomed.

NZ First's official policy was to keep eligibility at 65, retaining superannuation as a publicly funded pension scheme with no means-testing.

Leader Winston Peters last week [accused the Government](#) of "betraying the electorate" with the proposed increase.

Greens co-leader James Shaw last week said National ignored the issue of a "boomers bubble" after halting contributions to the Super Fund.