FSC

ELECTION MANIFESTO 2026

THE PROSPERITY AGENDA: SECURING NEW ZEALAND'S WELLBEING AND ECONOMIC FUTURE

Financial Services Council NZ

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FOREWORD

The choices New Zealand makes now will shape how secure, healthy and prosperous we are for decades to come.

New Zealanders are living longer. Demand for healthcare is rising. Pressure on public finances is growing. Too many households remain exposed when illness, disability, death or financial hardship strikes, while too many people are still not on track for the retirement they want.

At the same time, New Zealand needs more savings, deeper capital markets and greater investment if we are to lift productivity, fund growth and build a more resilient economy.

Financial services sits at the centre of all of this.

> **THE SECTOR CONTRIBUTES MORE THAN $16 BILLION TO NEW ZEALAND'S ECONOMY AND MANAGES OVER $340 BILLION IN SAVINGS AND INVESTMENTS.**

Every day, it helps millions of New Zealanders build retirement savings, protect their families, access timely healthcare, invest with confidence and make better financial decisions.

This manifesto makes a simple case: the pick-and-mix approach to financial resilience has run its course.

KiwiSaver cannot be considered separately from retirement income. Insurance cannot be separated from household resilience or pressure on the health and welfare systems. Financial capability and advice cannot be treated as optional extras. Regulation cannot protect consumers over the long term if it also discourages investment, innovation and competition.

These parts of the system need to work together.

Our recommendations focus on three outcomes: helping Kiwis save and invest more, protecting people and families from financial shocks, and creating a stronger financial system with clear accountability, stable policy settings and proportionate regulation.

That means building a durable approach to retirement savings, improving KiwiSaver for people at every stage of life, supporting deeper capital markets, widening access to life and health insurance, making better use of public and private healthcare capacity, improving access to advice and ensuring financial services receives the coordinated attention its economic and social importance demands.

> **THESE ARE NOT SHORT-TERM FIXES, AND THEY CANNOT BE DELIVERED BY INDUSTRY OR GOVERNMENT ACTING ALONE. THEY REQUIRE POLITICAL LEADERSHIP, PRACTICAL PARTNERSHIP AND POLICY SETTINGS THAT ENDURE BEYOND A SINGLE ELECTORAL CYCLE.**

The Financial Services Council and its members are ready to play their part.

The opportunity is significant: stronger households, more timely healthcare, greater investment, lower long-term pressure on public services and a more productive New Zealand.

The choices we make now will determine how financially secure and resilient New Zealanders are for decades to come. It is time to treat that future as one connected agenda.

Kirk Hope
Chief Executive Officer
Financial Services Council of New Zealand

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EXECUTIVE SUMMARY

NEW ZEALAND FACES A CHOICE

Our population is ageing, pressure on healthcare and public finances is growing, and too many New Zealanders remain financially exposed when they retire, become ill or experience an unexpected life event. At the same time, low national savings and shallow capital markets constrain the investment needed to lift productivity and grow the economy.

Financial services can help address these challenges. By helping New Zealanders save, invest, access healthcare and protect themselves against risk, the sector supports stronger households, a more resilient economy and more sustainable public services.

THE FSC IS CALLING FOR ACTION ACROSS THREE AREAS:

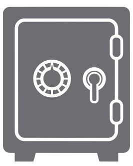
STRENGTHENING THE SYSTEM

1. Improve access to professional financial advice
2. Make financial capability a lifelong national priority
3. Establish clear ministerial responsibility for financial services
4. A regulatory system that supports long-term growth

BUILDING PROSPERITY

5. Increase participation through universal retirement saving
6. Gradually increase KiwiSaver contributions to 12% by 2032
7. Provide targeted support for lower-income workers
8. Create a KiwiSaver hardship protection pathway
9. Remove total remuneration employment structures
10. Auto enrolment of KiwiSaver at birth
11. Introduce tax parity for self employed contributions
12. Continue KiwiSaver contributions during parental leave
13. Decouple KiwiSaver and NZ Super eligibly age
14. Establish a retirement income and decumulation framework for New Zealand
15. Recognise the role and value of workplace savings schemes in the retirement ecosystem
16. Strengthen investment and capital markets outside retirement savings

PROTECTING PROSPERITY



17. Build stronger public-private healthcare partnerships
18. Remove Fringe Benefit Tax from employer-provided life and health insurance
19. Improve access to Pharmac negotiated pricing
20. Better integrate insurance into retirement planning
21. Recognise life and health insurance as essential financial infrastructure.

Together, these reforms would help more New Zealanders retire with dignity, access timely healthcare and withstand financial shocks. They would also grow domestic savings, deepen capital markets, support investment and reduce long-term pressure on government finances.

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THE CHOICES FACING NEW ZEALAND

A strong financial services sector is central to the country's economic and social wellbeing.

Every day it helps millions of New Zealanders save for retirement, protect themselves and their families against life's unexpected events, invest for the future and access professional financial advice to make informed decisions.

The sector contributes more than $16 billion to GDP, employs more than 73,000 people and manages over $340 billion in savings and investments. More than 3.4 million New Zealanders use KiwiSaver, while life and health insurers provide financial protection and access to healthcare for millions of people.

But New Zealand is not making the full use of this system. Too many Kiwis are approaching retirement without sufficient savings, households remain exposed to illness and unexpected financial shocks, and shallow capital markets limit the investment available for businesses, infrastructure and innovation.

These pressures will grow as the population ages and demand for healthcare and income support increases. Without reform, more of the cost will fall on households, taxpayers and future governments.

TODAY	IF WE DO NOTHING	WHAT REFORM CAN DELIVER
An ageing population and rising healthcare demand	Greater pressure on taxpayers, New Zealand Superannuation and an already stretched public health system.	Higher private savings, faster access to treatment and better use of public and private healthcare capacity.
Millions are in KiwiSaver, but too many are still not saving enough	More New Zealanders reach retirement without the income they need and become increasingly reliant on government support.	Universal participation, higher contributions and targeted support help more people build adequate savings and retire with dignity.
Too many households remain uninsured or underinsured	Illness, disability or death pushes more families into financial hardship and increases reliance on public support.	Wider access to life and health insurance protects household income, supports healthier workplaces and strengthens financial resilience.
More than $140 billion is held in KiwiSaver, but New Zealand's capital markets remain shallow	Less domestic capital is available to fund growing businesses, infrastructure and innovation.	Larger pools of long-term savings support productive investment, stronger businesses, more jobs and higher productivity.
Financial services policy and regulation remain fragmented	Duplication, uncertainty and rising compliance costs divert resources away from customers, investment and innovation.	Clear ministerial responsibility and proportionate regulation create confidence, reduce unnecessary cost and support long-term growth.

THE OPPORTUNITY IS TO TREAT RETIREMENT SAVINGS, INSURANCE, HEALTHCARE, ADVICE, REGULATION AND INVESTMENT AS PARTS OF ONE CONNECTED SYSTEM.

The policies outlined in this manifesto are designed to achieve exactly that.

Together, they aim to increase household financial resilience, grow national savings, strengthen capital markets, improve retirement outcomes, enable access to timely healthcare, support greater investment in New Zealand businesses and infrastructure, and reduce long-term fiscal pressures.

They represent an opportunity to create an enduring financial system that works for individuals, employers, investors and the wider economy. Ensuring New Zealand remains prosperous, resilient and well prepared for the future.

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STRENGTHENING THE SYSTEM

New Zealand's financial services sector plays a critical role in the country's long-term prosperity, supporting household financial resilience, retirement outcomes, investment, healthcare, business growth and economic productivity.

To unlock its full potential, New Zealand needs a policy and regulatory environment that recognises financial services as an essential part of the nation's economic infrastructure. High-quality regulation is essential for maintaining trust and confidence in financial markets, but it should also support innovation, competition and long-term economic growth. Over the past decade, New Zealand's financial services sector has undergone significant regulatory reform, with substantial investment to strengthen consumer protection, governance and market integrity.

> **THE NEXT PARLIAMENTARY TERM SHOULD PRIORITISE REGULATORY STABILITY OVER CONTINUAL REFORM, PURSUING LEGISLATIVE CHANGE ONLY WHERE THERE IS CLEAR EVIDENCE IT WILL IMPROVE CONSUMER OUTCOMES, ECONOMIC PERFORMANCE OR ADDRESS A MATERIAL REGULATORY GAP.**

This would allow firms to embed recent reforms, provide greater certainty for investment and focus resources on innovation, customer outcomes and economic growth.

The following system level reforms are fundamental to creating a modern, stable, trusted and internationally competitive financial services system.

WE RECOMMEND THE FOLLOWING POLICY PRIORITIES:

1 IMPROVE ACCESS TO PROFESSIONAL FINANCIAL ADVICE

Every New Zealander should have access to quality financial advice throughout their lifetime. The Government and industry should work together to remove barriers to advice, encourage innovation in advice delivery and ensure more New Zealanders can access affordable, high-quality financial guidance regardless of their income or stage of life.

2 MAKE FINANCIAL CAPABILITY A LIFELONG NATIONAL PRIORITY

Adopt a coordinated national strategy that embeds financial education throughout every stage of life – from school education through to workplace programmes and retirement planning. This will ensure informed decisions about saving, investing, insurance and retirement, leading to stronger households, greater resilience and improved long-term economic outcomes.

3 RECOGNISE FINANCIAL SERVICES AS A STRATEGIC ECONOMIC MINISTERIAL PORTFOLIO

We recommend assigning responsibility for financial services to a Cabinet Minister with a portfolio that reflects the sector's importance to New Zealand's economy, supported by coordinated oversight of retirement savings, insurance, financial markets and consumer policy. A more integrated ministerial structure would improve policy coherence, reduce fragmentation and strengthen strategic engagement between Government and one of New Zealand's largest industries.

4 A REGULATORY SYSTEM THAT SUPPORTS LONG-TERM GROWTH

The next Government should prioritise regulatory stability, pursuing further legislative change only where there is clear evidence of a material problem or demonstrable benefit.

Priority should be given to:

- Embed economic growth as a regulatory objective. Ensure financial regulators are required to consider the long-term impacts of their decisions on economic growth, productivity, investment and international competitiveness alongside consumer protection and financial stability.
- Embedding proportionality as a core principle in the design and implementation of all future financial services regulation.
- Introduce a Regulatory Competitiveness Test requiring all significant new financial services regulation to demonstrate that the expected benefits outweigh the costs, consider impacts on innovation, competition and investment, and assess whether objectives can be achieved through less burdensome alternatives.
- Implement a 'report once, use many times' approach to regulatory reporting by establishing a single government portal for regulatory filings. This would streamline compliance, reduce duplication and improve the efficiency of interactions between industry and regulators.
- Passing the Financial Markets Conduct Amendment Bill to increase climate reporting thresholds, adjusted liability settings and including the removal of Managed Investment Schemes (MIS), life insurers and health insurers from the Climate-related Disclosures (CRD) regime where the costs are disproportionate to the public benefit
- Ensuring the Insurance Prudential Supervision Act (IPSA) reforms are practical, proportionate and appropriately calibrated to the size, complexity and risk profile of New Zealand's life and health insurance sector.

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BUILDING PROSPERITY

New Zealand needs a long-term, bipartisan approach to retirement savings and investment that gives every New Zealander the opportunity to retire with dignity while supporting a stronger, more productive economy.

Our vision is for a retirement and investment system that increases participation and equity, builds higher household savings and financial resilience, reduces long-term fiscal pressure on New Zealand Superannuation, deepens capital markets, recognises the complementary role of workplace savings alongside KiwiSaver, and provides certainty through stable policy settings that endure beyond electoral cycles.

Rather than viewing retirement policy solely through the lens of New Zealand Superannuation or KiwiSaver, New Zealand should adopt a whole-of-system approach that connects retirement savings, workplace benefits, capital markets, financial capability and economic growth. This approach would help strengthen individual financial outcomes while supporting broader economic development and investment.

Retirement policy should not change with every election. New Zealand deserves a durable, bipartisan framework that provides confidence to savers, employers, investors and future governments.

A future retirement system should deliver dignity and financial independence in retirement while being universal, equitable and inclusive. It should encourage long-term saving from an early age, support people through different life stages, protect members during periods of hardship, promote personal responsibility with targeted support where needed, strengthen productive investment and capital markets, and maintain policy stability to provide confidence for savers, employers and investors.

WE RECOMMEND THE FOLLOWING POLICIES AS A LONG-TERM STRATEGY TO BUILD PROSPERITY:

5 INCREASE PARTICIPATION THROUGH UNIVERSAL RETIREMENT SAVING

New Zealand should move towards a compulsory retirement savings framework that ensures every working New Zealander is building retirement wealth. From 1 July 2028, every employee aged 18–65 is automatically enrolled in either: KiwiSaver; or another approved workplace retirement savings scheme that meets equivalent standards.

6 GRADUALLY INCREASE KIWISAVER CONTRIBUTIONS

By 2032, for contributions to reach 12 per cent combined between employer and employees. Aligning to a goal of having one trillion dollars invested in retirement savings by 2040.

7 PROVIDE TARGETED SUPPORT FOR LOW-INCOME WORKERS

Employees earning below a specified income threshold (for example, $60,000 per year) could contribute 2%, while employers continue contributing the full compulsory rate (e.g. 4%, then 5%, then 6% as contribution rates increase)

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8 CREATE A KIWISAVER HARDSHIP PROTECTION PATHWAY

Introduce a graduated response that prioritises preserving retirement savings while recognising that some New Zealanders experience prolonged or recurring financial hardship.

9 REMOVE TOTAL REMUNERATION EMPLOYMENT STRUCTURES

A pathway to remove and phase out total remuneration employment arrangements that absorb employer KiwiSaver contributions into an employee's total pay package.

10 INTRODUCE AUTO ENROLMENT OF KIWISAVER AT BIRTH

From 2028, enrol all New Zealanders at birth and provide a one-off government monetary contribution between $1,000 and $2,000. Withdrawals are limited until after 18 years old, and amount in fund at 18 is ring fenced until retirement.

11 INTRODUCE TAX PARITY FOR SELF EMPLOYED CONTRIBUTIONS

Allow self-employed New Zealanders to deduct their KiwiSaver contributions as a legitimate business expense – just like current companies can do for employees.

12 CONTINUE KIWISAVER CONTRIBUTIONS DURING PARENTAL LEAVE

Require employers to continue KiwiSaver contributions and for the Government to step in to make contributions as the employee for the first 26 weeks of paid parental leave.

13 DECOUPLE KIWISAVER AND NZ SUPER ELIGIBLY AGE

A policy to always retain access to KiwiSaver at the age of 65. Leaving access age of NZ Super to the Government.

14 ESTABLISH A RETIREMENT INCOME AND DECUMULATION FRAMEWORK FOR NEW ZEALAND

The Government and industry to create retirement income and decumulation framework to help New Zealanders convert their accumulated KiwiSaver balances into sustainable retirement income.

15 RECOGNISE THE ROLE AND VALUE OF WORKPLACE SAVINGS SCHEMES IN THE RETIREMENT ECOSYSTEM

A policy commitment to recognise and protect workplace savings schemes as a core component of New Zealand's retirement income framework would help preserve valuable employer-sponsored savings arrangements that have supported New Zealanders long before KiwiSaver was introduced.

16 STRENGTHEN INVESTMENT AND CAPITAL MARKETS OUTSIDE RETIREMENT SAVINGS

Ensure New Zealand has an equally strong capital markets capable of putting that capital to work. Deep capital markets are not simply a financial sector issue they are a national economic growth strategy, helping transform savings into productivity, innovation, infrastructure and prosperity.

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PROTECTING PROSPERITY

New Zealand's health and financial wellbeing are increasingly under pressure. An ageing population, rising demand for healthcare, growing fiscal constraints and increasing financial vulnerability mean the country must think differently about how it delivers better outcomes for New Zealanders.

Health and life insurance are not alternatives to publicly funded healthcare or government support; but rather are essential complements. Together, they form part of New Zealand's social and economic infrastructure, helping people access timely healthcare, recover financially from unexpected events, strengthen workplace productivity and reduce pressure on public services – all without government assistance.

Health insurance enables New Zealanders to access treatment sooner, improving health outcomes, supporting workforce participation and reducing demand on an already stretched public health system. At the same time, life insurance provides vital financial protection when families experience death, serious illness, disability or require mental health support. Helping people remain financially secure when they are most vulnerable.

> AS NEW ZEALAND'S POPULATION AGES AND HEALTHCARE DEMAND CONTINUES TO GROW, THEIR ROLE WILL BECOME INCREASINGLY IMPORTANT.

Our vision is to embed private health and life insurance as core complementary pillars of New Zealand's healthcare and social support systems working alongside the public sector to improve lives for individuals, employers and the wider economy.

WE RECOMMEND THE FOLLOWING POLICY PRIORITIES:

17 BUILD STRONGER PUBLIC-PRIVATE HEALTHCARE PARTNERSHIPS

New Zealand requires an integrated, whole-of-system approach to health and financial protection. The government and industry should enable collaboration through public-private care pathways, expanded co-funded and shared care models, better integrate private health funding, and recognise life and health insurance as an important contributor to financial resilience and long-term fiscal sustainability.

18 REMOVE FRINGE BENEFIT TAX (FBT) ON EMPLOYER-PROVIDED HEALTH AND LIFE INSURANCE

Employer-funded health and life insurance improves workforce wellbeing, increases financial resilience and delivers wider social benefits. Removing FBT would encourage more employers to offer cover, increasing access for working New Zealanders and their families while supporting healthier, more productive workplaces.

19 IMPROVE ACCESS TO PHARMAC NEGOTIATED PRICING

The system should enable insurers to access Pharmac-negotiated pricing for medicines and medical devices as part of a more coordinated, all-of-New Zealand purchasing approach.

20 BETTER INTEGRATE INSURANCE INTO RETIREMENT PLANNING

A future system should explore opportunities to better integrate insurance with retirement savings and hardship protection settings, recognising the important role insurance can play in protecting long-term savings and preventing financial hardship before it occurs.

21 RECOGNISE LIFE AND HEALTH INSURANCE AS ESSENTIAL FINANCIAL INFRASTRUCTURE

Government policies need to reflect that life and health insurance functions as a fundamental social good by pooling risk and circulating capital. Uptake is not simply an insurance policy; it is about the social good and an investment in stronger families, stronger communities and more sustainable public finances.

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ABOUT THE FINANCIAL SERVICES COUNCIL

A STRONGER FINANCIAL SYSTEM MEANS STRONGER HOUSEHOLDS, A MORE RESILIENT ECONOMY AND A BETTER FUTURE FOR NEW ZEALAND.

The Financial Services Council is the voice of New Zealand's financial services sector.

Our members help New Zealanders save, invest, protect what matters and plan for the future. Together, they manage more than $140 billion in funds and pay $2.8 billion in life and health insurance claims each year.

Financial services contributes more than $16 billion to New Zealand's GDP and plays a vital role in building household resilience, supporting investment and strengthening the wider economy.

The FSC's 100+ members include life, health, disability and income insurers, KiwiSaver and investment providers, workplace savings schemes, professional services firms and financial technology companies.

Let's keep the conversation going.

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Financial Services Council NZ

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