

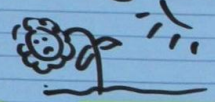
# DATA > QUOTES > PICS > MESSAGES

We're not so rich we don't have to worry, not so fragile we feel we need to snap into action.

"We all know what to do, we just don't know how to get re-elected after we do it."

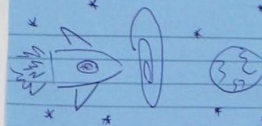
We shouldn't leave our kids and grandkids with choices we don't want to make ourselves.

We can't just grow our way out!



Global warming will affect old people too

"the most effective way to reduce benefits is to reduce unemployment"  
- Michael Cullen



Policies that stick are often those that go through massive public debate and opponents are later convinced

"Major crises are the most vulnerable the most."

With more airborne diseases

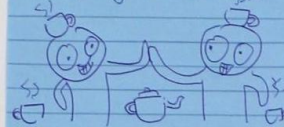
Policy wonks are not normal people"

Sir Michael Cullen

We should stop thinking it's StarGate: leaving the 1st world and coming out in the 3rd world because we raised taxes by 2%.

of the voters in 2060

fear of tax is like tea party silliness



We can use Kiwisaver as a supplement/substitute for NZS

"What has posterity done for me?"

"Income testing will not survive an MMP election"

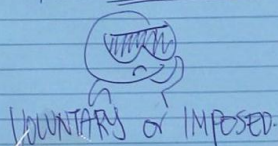
like creationism and global warming denial

transferring payment to the individual saves government money, but exacerbates inequality

Need to be planning for inevitable shocks in future

"2 wars at once" analogy

Our current path is leading us to government debt. We will have to take drastic action



Ageing population means older generations have more political influence

Governments' short term focuses are not just bc of the electoral cycle. Also bc interest groups

There are other uncertainties in our future  
→ climate change  
→ war  
→ financial shocks  
→ housing affordability

In New Zealand fairness is a critical platform in future policy.

Effective communication between different ages and generations.

3-6°C warming by the end of the century.

"the most mobile world we've ever lived in"  
- Simon Upton



# Conference Group #8 DATA OF INTEREST

20% of us  
are offshore.  
**Brain Drain**

We should not  
leave to our  
children &  
grandchildren  
harder decisions  
than we are  
prepared to  
make ourselves

2050  
30% rural  
70% urban.  
(reverse 1950)

Risks facing  
our world.  
Viral pandemic  
+ mega war

SSY: Increase  
in demand  
for work

-147 banking  
crises  
->200 currency  
crises  
-66 sovereign crises  
since 1970  
worldwide.

Rising  
resource  
scarcity.

OECD share of  
the economy  
will decline  
from half GDP  
to 1/3

## IMAGERY



Models produce "a  
misleading sense  
of certainty to  
this debate."  
Simon Upton.

## KEY MESSAGES

Should NZ  
have an  
independent  
Fiscal Sustainability  
Committee?

Base broadening.  
e.g. tax bases.  
Capital gains  
hypothecated  
taxes

Need to plan  
for future  
shocks

Young people  
need to be  
convinced that  
we will still  
have NZS when  
we are retiring  
- Simon U.

Most political occurs  
in a relatively  
short time frame,  
not to do with the  
electoral cycle.

NZ has at the  
moment has the  
opportunity to  
act on its own  
terms but the  
position won't  
last.

What separates  
NZ from other  
OECD countries  
is that the inquiry  
is not taking place  
in response to  
an immediate  
crisis

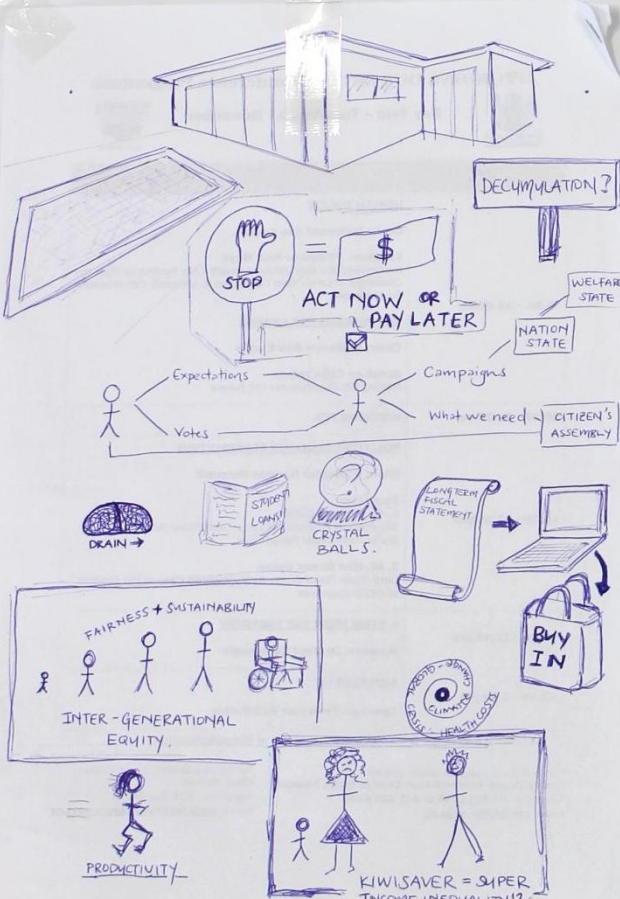
There is a  
huge amount  
of uncertainty  
in planning  
for the future

Possibility  
of compulsory  
Kiwisaver

Can we trust  
future projections  
which assume  
benign conditions  
in the  
physical world?

Low debt  
levels are  
essential if  
govts are able to  
maintain fire-  
power - S Upton

demographic  
transition is  
also an electoral  
transition





# Yellow Group Session 8

## DATA

Simon Upton:  
1950: rural = 70%.  
urban = 30%.

2050: urban = 70%.  
rural = 30%.

20% of  
NZ is  
overseas

40% of voting  
bloc will be  
over 65 by  
2060.

New revenue  
stream:  
15% capital  
gains tax.  
could fund costs.

## QUOTES

"but we must  
also reflect on  
how uncertain  
the future  
may be"  
-Simon Upton

We cannot use  
policy to get  
global talent.

"NZ has the  
opportunity  
to act pre-  
-emptively on  
its own terms  
but this will

Not last."  
-Upton

"Human  
capital  
-our achilles  
heel"

"Self-interest  
blocks long-term  
thinking."

"We all know  
what to do we  
just don't know  
how to get  
re-elected after  
we've done it."

"We need  
to see a good  
future"  
Sir Cullen

"Gradual  
adjustments  
over time  
should be  
sufficient"  
-Cullen

"We should not  
leave on to our  
children and grand  
children harder  
decisions which we  
are prepared make  
ourselves"  
-Michael Cullen

PM of Luxembourg:  
"We all know what  
we want to do, we  
just don't know  
how to get re-elected  
after we've done it!"

## KEY MESSAGES

No provision  
for major  
shocks

Growth  
cannot  
close the  
spending  
gap.  
-Upton

In 2050  
40% of voters  
will be 65+.

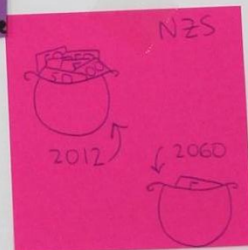
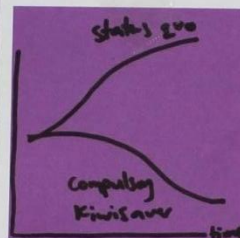
Environmental  
crises - e.g  
climate  
change

We need to  
set policy  
in the context  
of certain  
facts that we  
all accept.

Resilience

Climate  
Change may  
or may not be  
the most cata-  
strophic risk

## IMAGERY





# DATA! | QUOTES! (8) DOODLES!! > MESSAGES!

World urban/  
rural ratio

1950: 30/70

2030: 70/30

Growth

Raises

Expectations

Need to get  
over our  
fear of

**TAX!**

Economic growth  
is not the solution  
as it brings increased  
expectations on  
spending.

**1/3** Māori  
boys  
leave school w/o  
achieving  
NCEA Level 1

"When the going  
gets tough we  
start to think  
of very serious  
answers"  
- Simon Upton

What do we do,  
going forward to  
make good decisions,  
even in uncertainty.

- Girol

"Politicians very  
rarely lead,  
they follow"  
- Simon Upton

We need different viewpoints  
and feedback to create something  
that speaks to New Zealanders.

"totally incredible  
and lacking in  
substance."

Act pre-emptively,  
before crises.

There are  
Fiscal  
Challenges we  
cannot ignore

intra-generational  
income equality/  
inter-generational  
equity trade-off

Social cohesion:  
NZ as a good  
place to live,  
maintaining  
cultural diversity.

We need to  
recognise young  
people's right to  
make decisions.

We should agree on  
the boundaries of the  
facts before we decide  
on normative solutions.

Simon Upton.

Encouraging  
migration is not  
the answer as  
they age and  
have expectations  
too & can't guarantee  
skilled

**minimum  
regret**

We must take  
core values  
into account.

**Ubiquity of  
irrationality.**

How would we respond to dramatic return?  
MUST WE WAIT FOR A CRISIS??

