

# Bipartisan attack on superannuation looming in New Zealand

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19 May 2026

New Zealand Prime Minister Christopher Luxon recently confirmed that his governing National Party will campaign on lifting the age of eligibility for superannuation—currently 65 years—at the November national elections.

Superannuation (NZ Super) is being drawn into the drive for austerity, with the political and business establishment seeking to push the retirement age well beyond 65 and into the early 70s.

Luxon described the present system as “unworkable and unaffordable.” He told Newstalk ZB: “We will go to the election with another election policy around superannuation and lifting the retirement age for sure.” Asked when he would implement the policy, he declared he wanted to do it “as soon as we get back in the second term.” Luxon added “I would need Labour and I need NZ First to come on board.”

In 2017, National proposed lifting the age for NZ Super to 67, phased in from 2037 and taking full effect in 2040 for those born during or after 1974. It included a harsher residence requirement, doubling the qualifying period from 10 years to 20 years. These proposals are now being accelerated on the basis that people are living longer, the population is aging, and there is an “affordability” crisis.

Indicating broad agreement, opposition Labour Party leader Chris Hipkins told Newstalk ZB that he was “open to a conversation about that [superannuation], but I think it has to be done in a constructive, bipartisan way.” So far, the right-wing, anti-immigrant NZ First Party—part of the coalition government—has said it will oppose any move to increase the retirement age, but the party agrees with and is helping to implement the overall austerity agenda.

The attack on superannuation, amid an intensifying economic crisis and escalating drive to war, is a sharp

warning that the country’s ruling elite will use the election period to advance a raft of measures to eviscerate living standards and intensify a wider offensive against wages, conditions, and social rights.

The government has also announced plans to drive up fees for university students, and to sack thousands more workers across the public sector.

The aim is to free up more money for tax cuts for the corporate elite, and for war preparations. The government and Labour have committed to doubling the country’s military spending as a proportion of GDP and to integrate the country into US-led warmongering against China.

Involved in this is an historic reversal of the social gains made in struggle by generations of workers against the capitalist system. New Zealand’s first government-funded old-age pension for the elderly—those who passed “good moral character” tests—was introduced in 1898 during a period of rising labour militancy.

In August 1890, watersiders supported their Australian counterparts by striking against the Union Steam Ship Company, which had employed non-union labour to break a strike in Sydney. Some 8,000 workers were involved, causing major disruption to transport and trade. While the strike was eventually defeated, a newly installed Liberal government introduced measured reforms, including the new superannuation system, to defuse escalating class warfare.

In 1938, the First Labour government passed the Social Security Act, providing a means-tested pension for those over 60 and a universal, non-means-tested pension for those over 65. The measure was one of a number of Labour’s reforms enacted during the Depression, designed to stave off growing radicalisation and class tensions, including street riots,

and the threat of revolutionary struggles following the 1917 Russian example.

While in 1977 a taxable universal pension was introduced with the age of entitlement reduced to 60 years, during the 1990s, amid sweeping attacks on jobs and living standards, the qualifying age was progressively raised from 60 to 65.

The entire ruling elite is again declaring that NZ Super payments for future generations of workers and retirees are “unaffordable.” Treasury’s December forecasts estimated the annual cost will hit \$NZ30 billion by the end of the decade, up from \$15.5 billion in 2020. Multiple Treasury briefings have warned that superannuation spending is becoming “unsustainable” and “squeezing out” spending on other services such as health and education.

On May 7 the OECD also released its country report on New Zealand, again declaring the age of retirement needs to rise. The OECD said the aging population made it harder for the government to get the country’s books out of the red, and public debt would rise “unsustainably” without reforms.

Business interests are increasingly vocal. At a NZ Economic Forum at Waikato University in February, Milford Investments CEO Blair Turnbull said it was “inevitable” the age for super will rise and be means tested. By 2030, over one million people will be over the age of 65, he said, and unless the retirement age rises to 72 or 73 “New Zealand can’t afford to pay superannuation.”

Such claims of “affordability” are entirely bogus. In its first term in office the far-right coalition government has imposed mass austerity on the working class while providing billions in tax breaks to property investors and landlords and overseeing a further transfer of wealth to the rich.

There has been a vast increase in defence spending to cement New Zealand more closely to US-led wars around the globe. In a pre-budget speech to BusinessNZ on May 13, Luxon emphasised National is committed to doubling military spending, while foreshadowing increasing cuts to social spending and a drive for “fiscal repair.” That is, the working class will pay for growing militarism and imperialist war.

The government-appointed Retirement Commissioner David Boyle has however pointed to the dire situation facing retirees and advised keeping eligibility at 65

without means-testing. According to Boyle 40 percent of those aged over 65 rely almost entirely on NZ Super, making it a critical lifeline. Skyrocketing costs for rent, mortgages and food, payment levels—just \$NZ647 per week for an individual—already make it impossible for many to survive. Low levels of individual savings mean that future retirees will be in a worse position than the current ones.

A higher pension age will have the harshest impact on the most exploited workers. People in physically demanding jobs, those with interrupted work histories, and many Māori and Pacific Island workers are more likely to face ill health earlier and have fewer savings.

The real issue is not the “affordability” of superannuation but that the ruling class is not prepared to allocate social wealth to meet human needs. This is the logic now operating across health, housing, disability support, and education—amounting to a systematic transfer of costs from the ruling elite to the working class. It is the super-rich that society can no longer afford.

The defence of pensions is a class question. It pits the needs of millions of workers against a capitalist political establishment that is determined to protect profits, reassure markets and engage in wars abroad. A unified campaign to oppose raising the retirement age must be mounted across the working class, as part of the fight for the socialist reorganisation of society.



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