



KiwiSaver Annual Report 2023



Purpose of the report

The Financial Markets Authority – Te Mana Tātai Hokohoko (FMA) is an independent Crown entity and New Zealand's principal conduct regulator of financial markets.

Our overarching statutory purpose is to promote and facilitate the development of fair, efficient and transparent financial markets. Well-regulated financial markets are the cornerstone of a successful economy and the financial wellbeing of all New Zealanders. The FMA's purpose and vision is to foster the fairest financial sector in the world so that more New Zealanders than ever believe the financial services sector is working well for them.

We are one of several government agencies with a role in regulating KiwiSaver, which amounts to a substantial part of New Zealand's collective wealth. For many New Zealanders, KiwiSaver may be their first investment and a large part of their retirement savings and ultimate financial security. KiwiSaver is designed with the purpose of increasing individuals' well-being and financial independence; reporting on the principal matters transacted is intended to serve that purpose.

We are required to report to the relevant Minister each year. This year's report covers the period from 1 July 2022 to 30 June 2023, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2023.

This report will be presented to the House of Representatives pursuant to Section 159 of the KiwiSaver Act 2006.

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Facts at a glance

Year to 31 March 2023*



3,254,336

**KiwiSaver
members**

(up 2.7%)



\$93.7B

**total funds under
management**

(up 4.3%)



\$28,778

**average (mean)
balance per member**

(up 1.6%)



\$10.5B

**contributed to
KiwiSaver**

(down 6.7%)



-\$1.9B

**Net investment
returns**

(down from \$1.3B gain)



\$4.2B

**withdrawn
by members****

(up 11.7%)



\$664.1M

paid in fees***

(down 8.1%)

*Throughout this report, all comparative data is year-on-year unless otherwise stated.

**This figure includes withdrawals for first home purchase deposits, mortgage diversion, end payment date, significant financial hardship, serious illness, life-shortening congenital conditions, death, permanent emigration or transfers to Australian schemes, and amounts required to be paid under other enactments.

***Fees include investment management fees, administration fees, supervisor and trustee fees, and other scheme expenses. In previous reports, the total fees reported only included management fees and administration fees. See more on page 13.

From the Chief Economist

This year saw investment losses across major asset classes and risk profiles. It has been a tough time for investors. That said, it's worth noting that the data for this report covers the year ending 31 March 2023, and many investments have recovered ground since then.

Regardless, it's important for everyone to remember that investing is a long-term game: staying in the market and not constantly moving money around is the best way to achieve investing goals.

For those some way off retirement, that means consistently contributing, in good times and bad. While there have been losses, the last time this happened markets bounced back.

For those nearing retirement, seeing investment losses can be distressing. But most people are unlikely to spend all their KiwiSaver investments in the first year of retirement. Leaving money in KiwiSaver means there is time for the balance to recover and avoids locking in any losses. The last few years' data show that investors are doing just that, leaving money in their KiwiSaver accounts after turning 65, so their savings can continue to grow, and they can access it when they need.

This option – sometimes referred to as 'drawdown' – is available to KiwiSaver members over 65.

This report highlights two points of concern, I expect both driven by the cost-of-living challenges. Firstly, hardship withdrawals are up 36.7% compared to 2022. They hit their highest level in the wake of COVID lockdowns but it is concerning to see them rising again. It's important for people to have access to hardship withdrawals when life goes badly off plan, but it's a last resort. And once the acute issue has passed people need to continue saving for retirement.



Secondly, the number of members on savings suspensions is up 19.8%. That's understandable if people are really struggling, but re-starting contributions as soon as possible will set them up for a better retirement.

The industry and the FMA have a role to play too. Over the coming year, we'll be talking with KiwiSaver providers to understand how they support their customers to build savings habits and help them achieve their retirement goals.

We can categorise 2023 as a year when KiwiSaver 'held firm', when contributions proved more important than investment returns. But early signs suggest KiwiSaver will make more positive ground in 2024.

Stuart Johnson
FMA Chief Economist



Executive summary

Overview

KiwiSaver held firm in its sixteenth year, as markets continued to experience significant volatility after the previous year's correction, and the global economy grappled with higher inflation, higher interest rates and ongoing geopolitical tensions.

By 31 March 2023, KiwiSaver's total balance was \$93.7 billion, up \$4 billion, or 4.3%, year-on-year – growth that was largely thanks to the ongoing contributions of members, employers and the Crown, as net investments made a loss due to markets trending downwards during the year.

From a consolidated perspective, this is only the fourth year KiwiSaver investments have made an annual loss – the others being in the years to March 2008, 2009 and 2020, all of which were times of global economic uncertainty. Nevertheless, KiwiSaver members' savings continue to grow with the average (mean) balance more than tripling over the past decade to \$28,778.

This year's rise in total funds illustrates that even in challenging economic conditions, member balances can still grow through ongoing member, employer and Crown contributions. Read more under *FUM & returns* on page 6.

KiwiSaver continues to be part of important national conversations too, not just around retirement and buying a first home, but also topics like equality and environmental responsibility. And with more and more New Zealanders joining and benefiting from KiwiSaver, its importance to New Zealanders' wellbeing continues to grow.



Members & contributions

Almost two-thirds of New Zealand's population has a KiwiSaver account, with 3,254,336 members as at 31 March 2023, a 2.7% increase on the same time last year, and up 55.4% since 2013.

Of them, 2,929,647 were ‘active’ members, having made a choice to belong to their scheme. The other 324,689 were ‘default’ members, having not yet chosen a scheme since being automatically enrolled in one on entering employment.

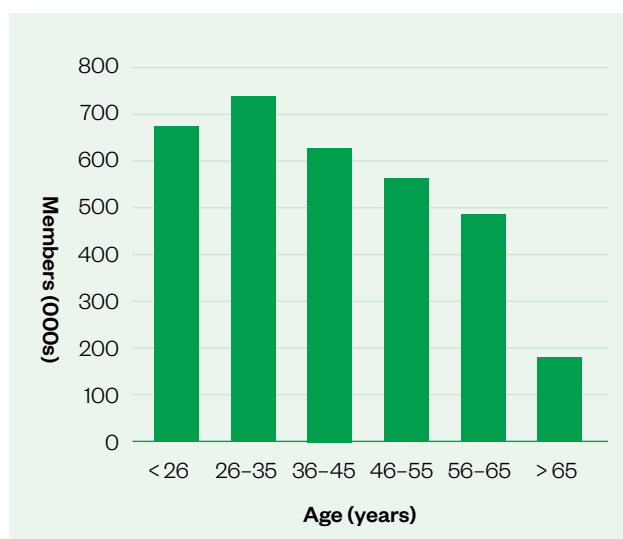
In total, members put a net \$6.5 billion into their accounts during the year, via deductions from salaries and wages, lump sums and other voluntary contributions. That is 15% down on the previous year, primarily due to a 62.6% fall in lump sum payments, to \$832 million – a level last seen in 2018–19.

Another \$3.0 billion came from employer contributions (up 12.5%), and \$963 million from the Crown (up 5.9%).

The number of members classed as ‘non-contributing’ – being those who made no payments in the last two months of the year or didn’t meet their agreed contributions frequency – rose by 0.5% to 1,134,921, while another 121,019 were on a formal savings suspension, up 19.8%.

However, the latter statistic may in part be the result of adjustments resulting from the default members reallocation process that took place in December 2021. Overall, it would appear there has been an increase in the number of members commencing a savings suspension, which may be attributed to both the current economic environment and the recent cyclone events.

Graph 1: Members by age



Withdrawals

In total, KiwiSaver members withdrew \$4.2 billion during the year, up 11.7% year on year.

The largest category of withdrawals (by value) was those made by members aged 65 and older. Collectively they withdrew more than \$2.8 billion, up 46.3% year-on-year. This might be attributed in part to the higher term deposit rates banks now offer, with one-year rates more than doubling in the year to March. It is important to note that over-65s are not required to withdraw their full balance and some providers now enable regular (e.g. fortnightly) drawdowns to supplement retirement incomes. More than 170,000 over-65s remain KiwiSaver members and more are joining. The proportion of new KiwiSaver joiners in this age group has risen in the past three years – from 1.44% in 2020 to 3.71% in 2022 – according to Inland Revenue data¹.

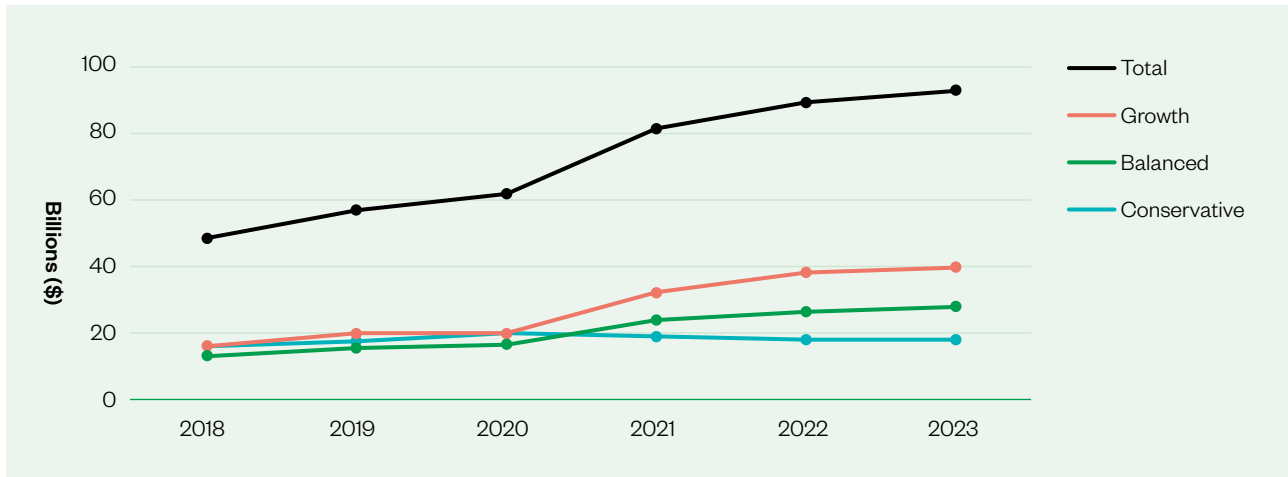
Conversely, withdrawals for first home purchases fell 35.6% to \$925.6 million – back down to a level last seen in 2018–19. This comes in a year when mortgage interest rates rose steeply, with the Official Cash Rate climbing from 1.5% in April 2022 to 4.75% by February 2023.² A total of 30,625 such withdrawals contributed an average of \$30,223 towards each first home deposit.

At the same time, significant financial hardship withdrawals rose 36.7% to \$144.9 million – up to the same level seen in 2020–21, when many people were feeling the economic effects of COVID-19. In the latest year, 18,291 such withdrawals were made, providing an average withdrawal of \$7,921; compared to 21,000 withdrawals at an average \$7,584 in the year to 31 March 2021, during COVID.

1 www.ird.govt.nz/about-us/tax-statistics/kiwisaver/datasets

2 www.rbnz.govt.nz/monetary-policy/monetary-policy-decisions

Graph 2: Funds under management 2018–2023



Note: Default and active default FUM were included in Conservative FUM between 2018 and 2021 before moving to Balanced in 2022-23.

FUM & returns

The total funds under management (FUM) at 31 March 2023 was \$93.7 billion – a 4.3% rise, year-on-year, and almost double what was held in 2018, as illustrated in Graph 2.

This year’s growth is largely thanks to the combined contributions of members, their employers and the Crown, worth \$10.5 billion (down 6.7%). The cumulative impact of contributions significantly outweighs the cumulative impact of returns, as can be seen in Graph 3. This highlights the importance of maintaining regular contributions to KiwiSaver.

Conversely, net investment returns equated to a combined loss of \$1.9 billion – a turnaround after last year’s \$1.3 billion gain. This can be attributed to the price decline in global equities and bonds that continued through most of 2022.

The total FUM of funds with a conservative risk profile decreased by 1%, to just under \$18 billion, after a 7% fall in members. Conversely, balanced funds’ FUM grew the most, by 6.3% to \$28 billion, after a 7% gain in members. Funds with a growth risk profile continued to have the most FUM, at \$40 billion (up 3.9%) and the most members (1.45 million).

This was the first *full* year that default members were in funds with a balanced risk profile – resulting from the Government’s changes to the default settings implemented in December 2021. The value of default members’ savings was \$2.7 billion as at 31 March 2023.

Fees

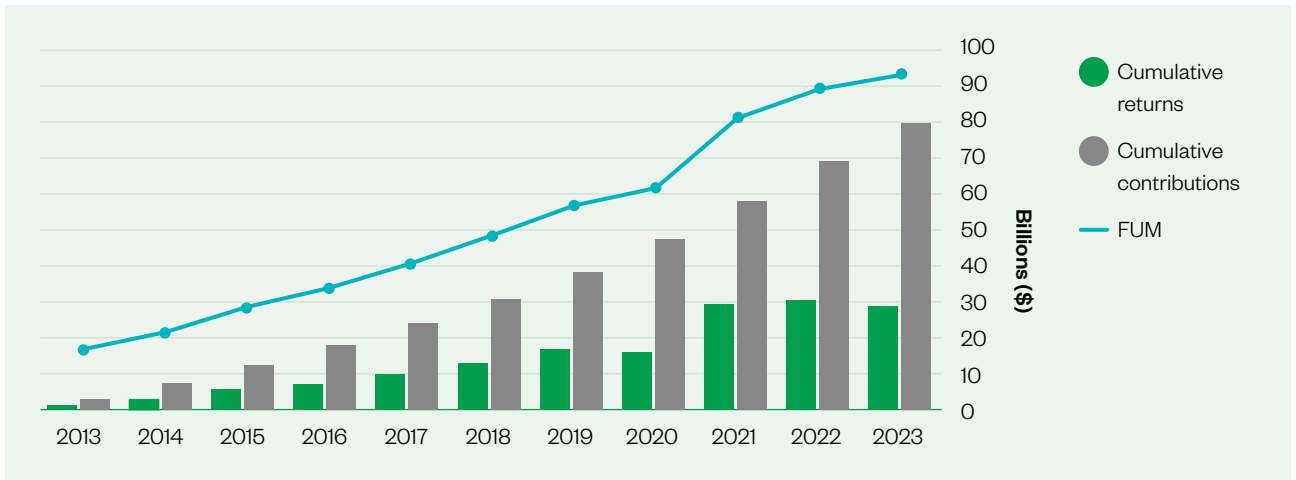
The total value of fees deducted from KiwiSaver accounts was \$664.1 million in the year to 31 March 2023, representing an annual 8.1% decrease.

This is the first year in KiwiSaver history that total fees have not risen – the combined effect of lower default fund fees, some providers removing membership fees, and others not earning the same level of performance fees as they may have in previous years (see *Value for money* on page 12 for more).

Administration fees charged this year were the lowest ever, at \$17.3 million – a 65.7% fall from last year’s \$50.3 million, and down 81.2% from their peak of \$91.8 million in the year to March 2019.

Investment management fees accounted for the bulk of the overall fees charged at \$626.3 million, which was just 2.5% less than last year’s all-time high of \$642.3 million.

Graph 3: KiwiSaver Cumulative returns, contributions and FUM 2013–2023



Note: We have used year-end FUM, which also reflects the impact of tax and withdrawals.

% Fund movements

Fund “switching” is when members keep their balance with the same provider but switch it to a fund that’s less or more risky, or to a particular class of assets (e.g. cash, shares).

The year to March 2023 saw 19.1% fewer switches, with 367,945 separate movements, which is more in line with the year to March 2021.

The predominant switching sentiment was out of conservative funds, which saw a net loss of 83,865 members (i.e. the net number of members that switched out of conservative funds) representing \$25.7 million (i.e. the net value of switches out of conservative funds).

At the same time, growth funds’ made a net gain from switching of 35,026 members, but recorded a net loss of \$429.9 million. In other words, while there were more people switching into growth funds than there were switching out, the former had lower balances, on average, than the latter (see Appendix 7b).

Meanwhile, “transfers” between providers (including movements to different risk types) were 131,260, down 16.8% on 2021, and the lowest number since 2013.

A third category of movements are permanent exits out of KiwiSaver, of which the biggest group are those aged 65-plus, as expected. This year a total of 36,121 retirees fully exited KiwiSaver, which is up 68.3% year-on-year, and the highest number ever. Typically, such exits have totalled around 20,000, with the previous highest

being 23,458 in the year to March 2019. While this year’s number may be an anomaly, it is still only around one-fifth of all members aged 65-plus which indicates the four-fifths are comfortable leaving at least some savings in their KiwiSaver scheme.

Finally, emigration accounted for 3,648 exits (up 28.0%), taking almost \$98 million out of the country (up 21.6%). Australia accounted for almost half of those emigrants, with 1766 people moving \$54.8 million over to Australian super schemes (or \$31,043 each, on average) – compared to 756 people transferring \$159.4 million *into* KiwiSaver from Australia (or \$210,805 each).

The number of KiwiSaver schemes sat at 38 at year’s end, versus 37 one year earlier – the new addition being the Sharesies KiwiSaver Scheme. Fisher Funds purchased the management rights to the Kiwi Wealth KiwiSaver Scheme reinstating Fisher Funds Management Limited as a default provider.

Money in

Year to 31 March 2023



1,998,396

members were contributing

(up 3.1% year-on-year)



\$10.5B

contributed*

(down 6.7%)



\$6.5B

by members**

(down 15%)



\$3.0B

by employers

(up 12.5%)



\$962.8M

by the Crown

(up 5.9%)

* Member contributions at section 64 contribution rate, lump sums, other voluntary contributions, employer contributions, Crown contributions.

** Member contributions at section 64 contribution rate, lump sums, other voluntary contributions.

Money out

Year to 31 March 2023



\$5.0B

**deducted from
KiwiSaver accounts***

(up 3.7%)



\$2.8B

**withdrawn by
those aged 65+**

(up 46%)



\$925.6M

**withdrawn for first
home purchases**

(down 35.6%)



\$144.9M

**withdrawn due
to financial hardship**

(up 36.7%)



\$664.1M

**paid in
provider fees****

(down 8.1%)

* This figure includes withdrawals (first home purchase deposits, mortgage diversion, end payment date, significant financial hardship, serious illness, life-shortening congenital conditions, and death, as well permanent emigration or transfers to Australian schemes, and amounts required to be paid under other enactments) and fees (for investment management, administration, supervisors and trustees), as well as other scheme expenses and taxation. It excludes transfers into other KiwiSaver schemes and invalid enrolments.

** Investment management fees, administration fees, supervisor & trustee fees, other scheme expenses.



Focus area

Member engagement

Regular, informative and honest engagement by providers with their KiwiSaver members is vital to ensure they get the most out of their investments. With almost 3.26 million members, achieving this has never been more important.

This is particularly so given that 1.26 million members (38.6%) were classed as 'non-contributors' – a number that is persistently high, though slowly trending downwards, as a proportion of total members, from 38.8% last year, and 40.7% in 2018.

The FMA continues to monitor providers' communications with consumers, and actively encourage members to keep an eye on their KiwiSaver accounts and make well informed decisions that align with their future needs.

Our monitoring during the year included reviews to ensure marketing materials were not false, misleading or deceptive, and contacting providers to check they were meeting requirements for member engagement, such as issuing annual statements and contacting individual members at key life stages.

In May 2023, we censured Aurora Financial Group Ltd for misleading existing and potential clients about KiwiSaver returns. Following a review, we were satisfied there was material contravention of two market services licensee obligations when recommending Aurora KiwiSaver funds to consumers in 2021 and 2022.

The representations made implied the funds had an established history, which they did not.³

In September 2022, we published our biannual KiwiSaver Statements Survey,⁴ based on feedback from more than 2,000 New Zealanders, around three-quarters of whom were members. Among the insights were reasons roughly two-fifths of members choose not to contribute: unemployment or irregular income, or just not being able to afford it.

We know from this year's data that around 25,500 more members⁵ weren't contributing to their accounts as at 31 March 2023, and that financial hardship withdrawals were up 36.7%. In the coming year, the FMA intends to engage more closely with providers about their responses to the rising cost of living and heightened vulnerability of many New Zealanders.

3 www.fma.govt.nz/news/all-releases/media-releases/fma-censures-aurora-financial-group-limited

4 www.fma.govt.nz/assets/Reports/KiwiSaver-Statements-Report-0722.pdf

5 The number of members classed as "non-contributing" rose by 0.5% to 1,134,921, while another 121,019 were on a savings suspension, up 19.2%



In June 2023, our annual awareness campaign encouraged members to engage with their KiwiSaver statements, reminding them that small steps can make a big difference to their future. This year's theme ("Own your Tomorrow") was aimed at women, who retire with 25% less in their KiwiSaver, according to Retirement Commission research⁶, and have lower levels of financial confidence, knowledge and participation than their male counterparts. Given the heightened cost of living, the campaign also highlighted ways to maximise KiwiSaver without lifting contributions, such as by being in the right fund and ensuring they get the government contribution.

The campaign achieved coverage reaching an estimated combined audience of more than 4.2 million. We used a range of channels to reach our target audiences, including news coverage, media partnerships, podcasts, social media content and advertising, including TikTok. Our promotional video (featuring the actor pictured above) had more than 176,000 views.

This year's campaign, **Own your Tomorrow**, encouraged women to engage with their KiwiSaver statement to ensure they are in the right fund and getting the government contribution.

6 Melville Jessup Weaver (MJW) KiwiSaver Demographic Study (March 2023), Te Ara Ahunga Ora Retirement Commission



Focus area

Value for money

Value for money in KiwiSaver does not mean fees must be low. It means members should receive appropriate value for what they pay, and both value and price should be transparent.

Fund managers can provide value for investors in many ways, including by spending on systems that reduce the risk of disruptions or pricing errors, by proactively offering investors meaningful on-going financial advice to improve their investment decisions, or by having investment processes that demonstrably add value. KiwiSaver providers have reviewed, and their respective Supervisors have assessed, value for money in recent months. It is part of the Supervisors role to report any concerns to us and we will respond as appropriate.

The total fees deducted from KiwiSaver accounts in this latest year reduced by 8.1% to \$664.1 million. This is the first time in KiwiSaver’s history that overall total fees have not increased. A major driver of this was a 65.7% fall in administration fees, to \$17.3 million. Other factors include:

- Lower default fund fees, falling 40.1% to \$11.3 million (compared to 7.2% for active members to \$652.9 million) – although the default figure is skewed by the drop in the number of default members ahead of their move to balanced schemes in late 2021.
- More providers removing their monthly membership fees.

- Some providers not earning performance fees due to insufficient investment returns – particularly larger providers such as Fisher Funds and Milford Asset Management.

The average (mean) total annual fee was \$204 per member; \$223 for active and just \$35 for default, the latter being a significant decrease – as shown in Graph 4 opposite.

In September 2022, our biannual KiwiSaver Statements Survey⁷ found about half of all members said the fees they pay are ‘about right’, while three in 10 said they are ‘too high’ – both results being fairly static with previous years. Member perceptions are closely related to their investment returns, as those who said their returns had fallen were more likely to think fees are high. In contrast, perceptions of getting value for money from fees had dipped, with 54% of members rating theirs as ‘good’ or ‘very good’, compared to 58% two years earlier.

The FMA will continue to engage with the Supervisors of KiwiSaver providers to ensure the value offered to members is clear and the fees being charged are reasonable – as per our 2021 value for money guidance.⁸

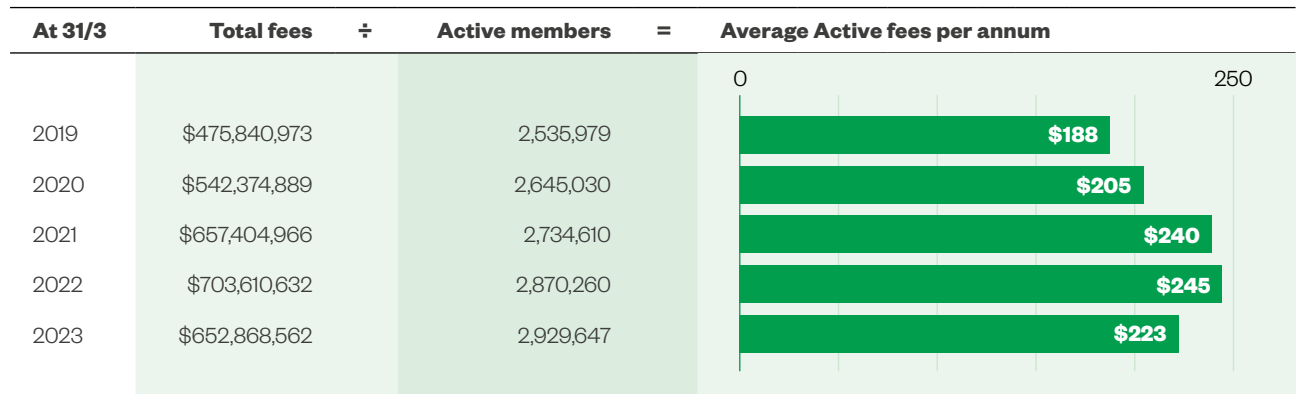
7 www.fma.govt.nz/assets/Reports/KiwiSaver-Statements-Report-0722.pdf

8 www.fma.govt.nz/assets/Guidance/Managed-fund-fees-and-value-for-money-guidance.pdf

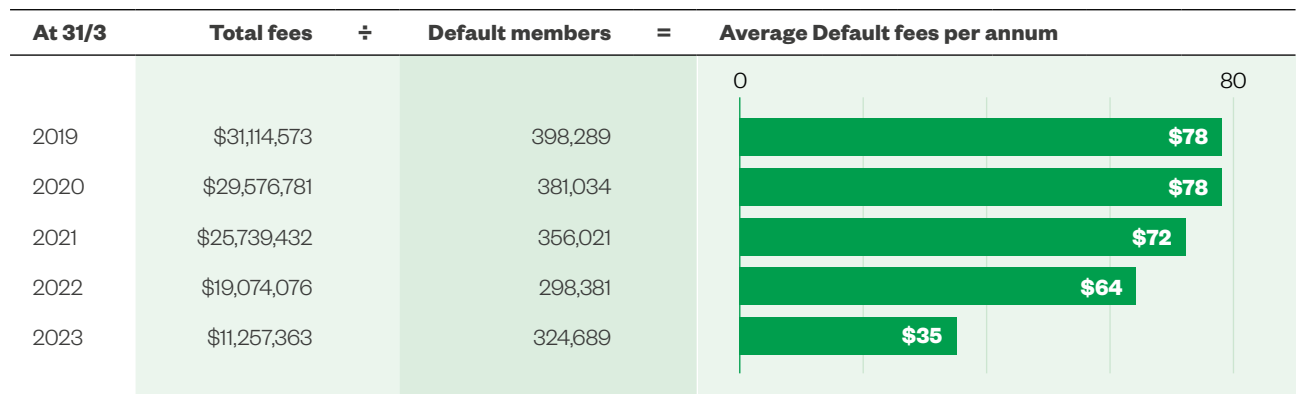


Graph 4: Fees per member

Active member fees



Default member fees





Focus area

Risk management

In January 2023, the FMA published our Managed Investment Schemes (MIS) Sector Risk Assessment, which analysed key risks in funds management. Our report noted that effective risk management by MIS managers is an important mitigant against the potential for harm to investors.

Our findings⁹ were based on a survey of the four Supervisors of 53 licensed fund managers – including KiwiSaver providers – with the results aggregated by fund manager, risk category (business, governance, investment and operational), sub-sector, and sector level.

Key risk factors include macro impacts on investments, investment operations and outsourcing oversight, and new (and typically volatile and/or illiquid) financial instruments. We also noted emerging risks in cyber security, business continuity planning, and the ability to meet future climate-related disclosure obligations.

Our report concluded that the controls currently used by managers reduce the overall risk of the sector to medium/low, whereas without controls the risk would be medium/high. Within the overall rating, however,

effectiveness of controls varied and in all cases, risks were heightened by prevailing macroeconomic conditions.

We also highlighted the importance of Supervisors' continued efforts to monitor the sector and ensure that existing mitigants and controls remain adequate and effective.

We will use our MIS sector risk assessment to identify risk areas and guide our engagement with Supervisors and our future supervisory activity in the sector.

9 www.fma.govt.nz/news/all-releases/media-releases/fma-publishes-fund-manager-risk-assessment-report



Focus area

Default funds

Default members are those members who have not yet made an active choice about their KiwiSaver provider, having been automatically enrolled with one when they started work.

The year covered by this report was the first full year in which default members were covered by the revised default arrangements implemented in December 2021. The new settings mean default members will pay lower fees and be invested in a balanced rather than conservative fund, and benefit from enhanced service levels and better member engagement. Default funds also exclude investments in fossil fuels.¹⁰

As at 31 March 2023, there were 324,689 default members, up 8.8% on the same time last year, just a few months after the changes were implemented. That excludes members who have actively chosen to be in a default scheme.

Total FUM for default members stood at \$2.7 billion (up 8.9%) giving an average (mean) balance of \$8,375 – roughly a quarter of the average balance for active members of \$31,039.

Consistent with KiwiSaver generally, default funds saw a net investment loss of \$51.7 million, further to last year's loss of \$26 million.

The six KiwiSaver default providers have now been through two cycles of reporting under their latest Instrument of Appointment, and we are comfortable with the progress they are making to comply with their new member engagement obligations. This will take time for providers to develop and fully implement programmes that achieve positive engagement from default members.

In coming years, we plan to increase our focus on their engagement with members, and in particular, what 'success' looks like when it comes to those communications.

¹⁰ www.fma.govt.nz/library/articles/update-on-the-kiwisaver-default-scheme-provider-change-process

Appendices



Appendix 1: Income & expenditure summary

KiwiSaver schemes as at 31 March 2023

	Default	Active	Total
Opening balance of scheme assets at start of annual return year (01/04/22)	\$2,495,506,726	\$87,252,857,972	\$89,748,364,698
Categories of income for annual return year			
Member contributions at section 64 contribution rate	\$330,509,695	\$5,192,151,074	\$5,522,660,769
Employer contributions	\$201,792,303	\$2,835,941,746	\$3,037,734,049
Crown contributions (section 226) and fee subsidies	\$59,653,474	\$903,191,073	\$962,844,547
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$51,516	\$3,263,287,412	\$3,263,338,928
Transfers of members' accumulations into scheme from other retirement schemes	\$212,765	\$32,349,356	\$32,562,121
Transfers of members' accumulations into scheme from Australian superannuation schemes	\$4,314,360	\$155,054,359	\$159,368,719
Lump sum contributions	\$4,356,648	\$827,689,376	\$832,046,024
Other voluntary contributions over section 64 contribution rate	\$992,179	\$155,722,194	\$156,714,373
Income from investment of scheme assets	(\$51,656,167)	(\$1,893,423,654)	(\$1,945,079,821)
Other income	\$3,608,202	\$111,800,064	\$115,408,266
Total income from annual return year	\$553,834,975	\$11,583,763,000	\$12,137,597,975
Categories of expenditure for annual return year			
First home purchase withdrawals	\$14,344,407	\$911,242,883	\$925,587,290
Mortgage instalment withdrawals	\$0	\$40,490	\$40,490
KiwiSaver end payment date withdrawals	\$22,989,587	\$2,825,665,384	\$2,848,654,971
Withdrawals on death	\$2,475,658	\$135,037,678	\$137,513,336
Serious illness withdrawals	\$1,866,091	\$75,077,876	\$76,943,967
Life-shortening congenital condition withdrawals	\$2,222	\$290,230	\$292,452
Withdrawals or transfers on permanent emigration	\$1,582,507	\$41,457,753	\$43,040,260
Significant financial hardship withdrawals	\$4,529,317	\$140,347,847	\$144,877,164
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	\$266,197,679	\$3,000,257,377	\$3,266,455,056
Transfers of members' accumulations out of scheme into Australian superannuation schemes	\$1,889,492	\$52,932,766	\$54,822,258
Amounts required to be paid under other enactments	\$658,945	\$17,277,572	\$17,936,517
Invalid enrolment withdrawals and late opt-outs	\$2,690,426	\$3,617,068	\$6,307,494
Administration fees	(\$39,440)	\$17,322,122	\$17,282,682
Investment management fees	\$11,205,367	\$615,064,024	\$626,269,391
Supervisor fees and (in the case of a restricted scheme) trustee fees	\$68,356	\$5,502,402	\$5,570,758
Insurance premiums	\$0	\$0	\$0
Taxation	(\$405,836)	\$46,587,131	\$46,181,295
Other scheme expenses	\$23,080	\$14,980,014	\$15,003,094
Total expenditure for annual return year	\$330,077,858	\$7,902,700,617	\$8,232,778,475
Closing balance of scheme assets at end of annual return year (31/03/23)	\$2,719,263,844	\$90,933,920,355	\$93,653,184,199

Notes:

- The statistical returns are unaudited and may not include all transactions.
- Some providers are not able to differentiate between different types of transfers, so discrepancies can occur between transfers to and from schemes.
- Opening balances may not align with last year's reported closing balances due to filing discrepancies.
- Some providers pay all costs out of a single fee they charge their members, and this is categorised above under 'Investment management fees'. Hence, totals for 'Administration fees' and 'Supervisor fees' are not a true reflection of those costs.

Appendix 2: Membership summary

KiwiSaver schemes as at 31 March 2023

	Default	Active	Total
Number of contributing members at start of annual return year (01/04/22)	157,576	1,782,098	1,939,674
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	69,682	73,661	143,343
Members restarting contributions at end of section 104 savings suspensions	712	20,482	21,194
Members restarting contributions after stopping contributions for any other reason	24,666	202,201	226,867
Members transferring into scheme from other KiwiSaver schemes	10	132,170	132,180
Members transferring into scheme from Australian superannuation schemes	10	746	756
Members transferring into scheme from other retirement schemes	1	318	319
Total entries for annual return year	95,081	429,578	524,659
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	1,645	34,476	36,121
Deaths	272	3,959	4,231
Permanent emigration exits	200	1,682	1,882
Transfers out of scheme into other KiwiSaver schemes	33,942	97,318	131,260
Transfers out of scheme into Australian superannuation schemes	108	1,658	1,766
Other permanent exits	240	3,266	3,506
Invalid enrolment withdrawals	6,356	4,839	11,195
Members starting section 104 savings suspensions	4,075	50,236	54,311
Members stopping contributions for other reasons	45,035	176,630	221,665
Total temporary and permanent exits for annual return year	91,873	374,064	465,937
Number of contributing members at end of annual return year (31/03/23)	160,784	1,837,612	1,998,396

Appendix 2: Membership summary (continued)

KiwiSaver schemes as at 31 March 2023

	Default	Active	Total
Number of members on section 104 savings suspensions at start of annual return year (01/04/22)	3,533	97,985	101,518
Categories of members on section 104 savings suspensions			
Members starting section 104 savings suspensions	4,075	50,241	54,316
Members ending section 104 savings suspensions and restarting contributions	712	20,487	21,199
Members ending section 104 saving suspensions but not restarting contributions for any reason	628	12,988	13,616
Number of members on section 104 saving suspensions at end of annual return year	6,268	114,751	121,019
Number of non-contributing members (not on section 104 savings suspensions) at start of this annual return year	136,640	989,862	1,126,502
Categories of non-contributing members (not on section 104 savings suspensions)			
Members stopping contributions without section 104 saving suspensions	45,663	189,623	235,286
Members restarting contributions after having stopped contributions without section 104 saving suspensions	24,666	202,201	226,867
Number of non-contributing members (not on section 104 savings suspensions) at end of this annual return year	157,637	977,284	1,134,921
Total non-contributing members at end of annual return year (31/03/23)	163,905	1,092,041	1,255,946
Total number of members at end of annual return year (31/03/23)	324,689	2,929,647	3,254,336

Appendix 3: Age & gender profiles of members

Default members				
Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	106	106	0	212
18–25	21,100	23,317	26,411	70,828
26–30	10,585	12,693	14,315	37,593
31–35	13,173	13,891	19,211	46,275
36–40	11,796	12,038	17,217	41,051
41–45	9,124	9,838	13,013	31,975
46–50	7,813	8,485	10,811	27,109
51–55	7,066	7,626	9,671	24,363
56–60	5,631	6,229	7,754	19,614
61–65	4,356	4,785	5,917	15,058
66–70	1,927	2,140	2,681	6,748
71–75	726	864	1,143	2,733
76–80	207	243	360	810
81–85	6	17	14	37
86 and over	37	51	4	92
Unknown age	31	51	109	191
Total	93,684	102,374	128,631	324,689

Appendix 3: Age & gender profiles of members (continued)

KiwiSaver schemes as at 31 March 2023

Active members				
Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	104,748	110,149	1,375	216,272
18-25	185,374	190,794	8,064	384,232
26-30	150,734	155,239	4,674	310,647
31-35	167,062	167,326	6,069	340,457
36-40	146,159	142,922	5,380	294,461
41-45	130,666	123,394	4,566	258,626
46-50	129,800	117,496	3,739	251,035
51-55	135,965	119,252	3,110	258,327
56-60	127,312	111,789	2,550	241,651
61-65	109,444	96,369	2,009	207,822
66-70	52,614	46,721	739	100,074
71-75	24,996	22,630	258	47,884
76-80	8,767	8,206	98	17,071
81-85	327	325	4	656
86 and over	182	158	5	345
Unknown age	22	54	11	87
Total	1,474,172	1,412,824	42,651	2,929,647

Total members				
Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	104,854	110,255	1,375	216,484
18-25	206,474	214,111	34,475	455,060
26-30	161,319	167,932	18,989	348,240
31-35	180,235	181,217	25,280	386,732
36-40	157,955	154,960	22,597	335,512
41-45	139,790	133,232	17,579	290,601
46-50	137,613	125,981	14,550	278,144
51-55	143,031	126,878	12,781	282,690
56-60	132,943	118,018	10,304	261,265
61-65	113,800	101,154	7,926	222,880
66-70	54,541	48,861	3,420	106,822
71-75	25,722	23,494	1,401	50,617
76-80	8,974	8,449	458	17,881
81-85	333	342	18	693
86 and over	219	209	9	437
Unknown age	53	105	120	278
Total	1,567,856	1,515,198	171,282	3,254,336

Appendix 4: Profile of new default and other members

KiwiSaver schemes as at 31 March 2023

	Number of members	Scheme assets held for those members
Default members allocated to scheme by Commissioner under section 51 in annual return year	69,692	\$127,319,684
Other new members entering scheme in annual return year (including transfers from other schemes)	52,693	\$762,028,544

Note: Some providers have included members who have since opted out, while others have not.

Appendix 5: Summary of non-contributing members

	Default		Active	
	Number of members	Scheme assets held for those members	Number of members	Scheme assets held for those members
Number of non-contributing members (not on section 104 savings suspensions) at start of this annual return year (01/04/22)	136,640	\$650,216,815	989,862	\$17,978,779,348
Number of non-contributing members (not on section 104 savings suspensions) at end of this annual return year (31/03/23)	157,637	\$786,332,883	977,284	\$18,555,209,838

Note: 'Non-contributing member' is defined as:

- a member for whom no contributions have been received in the previous two months; or
- a member who does not contribute via the IRD, and who has failed to meet their contracted contribution frequency.

It excludes members on section 104 savings suspensions.

Appendix 6: Investment fund summary

KiwiSaver schemes as at 31 March 2023

	Number of members in each investment fund	Amount of each investment fund
Default investment product under instrument of appointment in respect of default members	324,689	\$2,719,263,844
Multi sector funds		
Active Default	16,081	\$205,013,127
Conservative	795,220	\$17,994,302,448
Balanced	813,594	\$25,106,237,994
Growth	1,452,955	\$40,008,351,431
Single sector funds		
Cash	227,097	\$4,117,739,290
Fixed Interest	59,903	\$562,297,343
Shares	95,985	\$1,389,314,191
Property	7,693	\$76,811,793
Socially responsible funds	45,495	\$1,051,877,638
Other	10,526	\$421,975,100
Total	3,524,549	\$90,933,920,355

Notes:

- The statistical returns are unaudited and may not include all transactions.
- Some members will be invested in more than one investment fund.
- “Other” refers, in the main, to life stages products.

Appendix 7a: Switches out of default funds into other funds

KiwiSaver schemes as at 31 March 2023

	Number of member exits from default fund	Value of exits from default fund
	Numbers	Amount
Switches out of default investment product under instrument of appointment	14,208	\$99,700,087
	Number of member transfers into other funds in Scheme	Value of transfers into other funds in Scheme
	Members	\$ Amount
Multi sector funds		
Active Default	4,005	\$27,744,601
Conservative	1,208	\$10,835,491
Balanced	2,260	\$14,822,703
Growth	4,380	\$29,604,404
Single sector funds		
Cash	1,198	\$9,302,206
Fixed Interest	815	\$3,772,481
Shares	154	\$447,725
Property	12	\$8,366
Socially responsible funds	1,270	\$3,162,108
Total	15,302	\$99,700,085

Notes:

- The statistical returns are unaudited and may not include all transactions.
- Some members will be invested in more than one investment fund.

Appendix 7b: Switches between funds

KiwiSaver schemes as at 31 March 2023

	Number of member switches into this fund	Value of switches into this fund	Number of member switches out of this fund	Value of switches out of this fund	Net value of change in amounts
Multi sector funds					
Active Default	2,911	\$43,478,632	4,631	\$30,796,175	\$12,682,457
Conservative	57,097	\$1,457,354,276	140,962	\$1,483,019,134	(\$25,664,857)
Balanced	50,594	\$1,373,023,796	56,612	\$1,643,954,668	(\$270,930,872)
Growth	127,976	\$1,515,749,783	92,950	\$1,945,644,310	(\$429,894,525)
Single sector funds					
Cash	31,846	\$1,175,594,929	19,773	\$455,669,805	\$719,925,125
Fixed Interest	4,872	\$59,361,777	10,320	\$47,418,572	\$11,943,205
Shares	18,623	\$111,654,182	36,111	\$133,959,843	(\$22,305,663)
Property	1,306	\$4,057,011	2,660	\$8,233,676	(\$4,176,664)
Socially responsible funds	4,120	\$57,762,010	3,846	\$49,846,691	\$7,915,319
Other	112	\$2,889,400	80	\$2,382,924	\$506,476
Total	299,457	\$5,800,925,796	367,945	\$5,800,925,798	\$1

Appendix 8a: Profile of switches between funds

KiwiSaver schemes as at 31 March 2023

	Default	Active
1 switch	14,161	179,163
2 switches	0	27,782
3 switches	0	4,607
4 switches	0	1,968
5 switches or more	0	5,993

Appendix 8b: Profile of non-contributing members

KiwiSaver schemes as at 31 March 2023

Last contribution made (calculated from end of annual return year)	Default		Active	
	Members	Assets	Members	Assets
1 year or less	82,517	\$438,215,160	295,567	\$7,391,922,906
2 years or less, but more than 1 year	53,934	\$282,648,134	130,278	\$3,982,425,148
3 years or less, but more than 2 years	4,842	\$12,424,073	80,359	\$2,101,660,855
5 years or less, but more than 3 years	7,601	\$21,087,401	109,478	\$2,166,072,668
More than 5 years	8,743	\$31,958,113	361,608	\$2,913,154,303
Total	157,637	\$786,332,881	977,290	\$18,555,235,880

Note: Excludes members on section 104 savings suspensions

Appendix 9: Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2023

Asset grouping	Number of schemes	Total assets \$M	Total membership
Under \$10m	2	11	221
\$10m to under \$100m	8	359	10,620
\$100m to under \$500m	8	2,176	60,705
\$500m to under \$1,000m	3	1,756	49,644
\$1,000m to under \$5,000m	11	32,632	1,135,954
\$5,000m and over	6	56,719	1,997,192
Total	38	93,653	3,254,336

Note: The data has been obtained from statistical returns made by KiwiSaver providers. Some totals may not be exact due to rounding.

Appendix 10: Analysis by nature of scheme

KiwiSaver schemes as at 31 March 2023

Nature of scheme	Number of schemes	Total assets \$M	Total membership
Default schemes	6	2,719	324,689
Retail (active choice)	34	90,396	2,917,112
Restricted schemes	4	538	12,535
Total	38	93,653	3,254,336

Notes:

- Default scheme statistics are only in respect of members and assets in the default investment fund options. As members can make an active choice to be in a default scheme, these 6 schemes are also counted in the number of retail schemes (but not in retail assets or membership).
- Some totals may not be exact due to rounding.
- Retail (active choice) total assets and total membership figures include that portion of the default schemes where members have actively chosen to participate.
- The data has been obtained from statistical returns made by the KiwiSaver providers to the members and beneficiaries of those schemes.

Appendix 11: Analysis of schemes according to nature & assets

KiwiSaver schemes as at 31 March 2023

Number of schemes			
Asset grouping	Retail schemes	Restricted schemes	Total schemes
Under \$10m	2		2
\$10m to under \$100m	5	3	8
\$100m to under \$500m	7	1	8
\$500m to under \$1,000m	3		3
\$1,000m to under \$5,000m	11		11
\$5,000m and over	6		6
Total (all groups)	34	4	38

Assets within schemes				
Asset grouping	Default assets (\$M)	Retail assets (\$M)	Restricted assets (\$M)	Total assets (\$M)
Under \$10m		11		11
\$10m to under \$100m		240	119	359
\$100m to under \$500m	2,177	1,757	419	4,353
\$500m to under \$1,000m	542	1,756		2,298
\$1,000m to under \$5,000m		30,942		30,942
\$5,000m and over		55,690		55,690
Total (all groups)	2,719	90,396	538	93,653

Membership of schemes				
Asset grouping	Default members	Retail members	Restricted members	Total members
Under \$10m		221		221
\$10m to under \$100m		7,502	3,118	10,620
\$100m to under \$500m	262,468	51,288	9,417	323,173
\$500m to under \$1,000m	62,221	49,644		111,865
\$1,000m to under \$5,000m		934,108		934,108
\$5,000m and over		1,874,349		1,874,349
Total (all groups)	324,689	2,917,112	12,535	3,254,336

Note: The tables above do not take into account the default component of the schemes.

Appendix 12: Where KiwiSaver money is invested

KiwiSaver schemes as at 31 March 2023

Cash	Commodities	Australasian Equity	International Equity	International Fixed Interest	NZ Fixed Interest	Listed Properties	Unlisted Properties	Other
11.9%	0.6%	18.6%	33.5%	16.3%	12.0%	3.9%	0.8%	2.4%

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