the adults-only year

KiwiSaver Annual Market Report 2025

By David Chaplin

Introduction

Here's an anti-fun fact about 18.

According to *The Fact Site*, at age 18 "you are considered a legal adult in most countries and are fully responsible for your actions past this point".

KiwiSaver passed that point, officially, on July 1, 2025.

Happy birthday to you!

And on March 31, just prior to entering legal adulthood, KiwiSaver clicked over its 18^{th} financial year-end reporting date with 38 schemes (or most of them) filing annual disclosure documents by the July 31 deadline.

Data dates so fast, of course, but this study takes the long view on the year-on-year changes in the NZ semi-mandatory retirement savings system via another point-in-time snapshot – also 18^{th} in the series.

The headline statistics describe a static 12 months to March 31. Scheme numbers held steady at 38 for the third year in succession with no live launches or wind-ups. Investment returns, while about half the average of the previous year, ended mostly in the black across a normal range.

The established order of schemes by funds under management remained pretty much constant even as less buoyant markets (compared to the 2023/24 season) took the edge off asset growth-rates.

But the member data hints at something different about KiwiSaver this year; something slower, something older.

Annual member-growth hit an historical low of 51,422 over the 12 months to March 31, representing a year-on-year increase of just 1.5 per cent. In the previous reporting period, the KiwiSaver population grew by more than 80,000, or 2.4 per cent.

The infusion of fresh blood into the system has declined naturally in recent years as the pool of eligible new members dried up: out of a NZ population of about 5.3 million, almost 3.4 million held KiwiSaver accounts as at March 31.

Also, the-then National government decision to axe the $1,000 'kickstart' payment in 2015, which removed the sole incentive for under-18s to sign-up, didn't help the system age-profile either. The number of KiwiSaver members aged under 18 plunged from a high of 368,000 in June 30, 2015, to 189,641 at the same date this year.

In the May 2025 budget, the current National-led government introduced a measure to extend the mandatory employer KiwiSaver contributions to 16- and 17-year-olds as well as the (now 50 per cent off!) member tax credit.

Due to kick-in as of April 1, 2026, those reforms may slow the KiwiSaver aging process. However, the sharp drop in new members in this reporting year has left growth-oriented schemes with little option than to target rivals in a competition currently favouring the young(er) ones.

As the 2025 data shows, the year has not been fun for the more-mature providers that, while still the biggest adults in the room, might be losing touch even further with the next generation.

This report (featuring fresh, new, improved fields!) takes another, big-fonted, trip back to the old haunts including:

- Transfers between providers;
- Funds under management (FUM);
- Membership;
- Fees and expenses; and,
- Annual gross performance; and,
- Net performance (after tax and net fees).

A complete set of the data in Excel spreadsheet form, covering member and funds under management trends; fees and expenses; investment returns; scheme transfers and other metrics, is available for the ageless fee of $460 plus GST ($529 including GST).
Please contact the author at david@investmentnews.co.nz or ph +64 21 022 575 03 for further details.

Fund transfusion: where the flows go

Milford Asset Management has been among the fastest-growing KiwiSaver providers every year since the Auckland-headquartered investment house established its scheme in 2010.

Despite its age and large asset base, Milford is not slowing down. The manager has consistently been among the medals in this race, winning gold in the net transfer category (as below) for the last five years.

After breaking the $1 billion barrier for the first time during the 2024 season in a feat never achieved by any other provider without merger-assistance, Milford blitzed the record again this year to pull in almost $1.5 billion net from competitors.

Generate and Simplicity retain second and third place in the rankings as per the 2024 results while Kernel pushed Sharesies from fourth last year to fifth. Kernel's rise also demotes the adviser-sold Aurora (fifth in 2024) to just out of the top five. Aurora banked about $90 million net in transfers for the 2025 reporting period, a smidge behind InvestNow ($91 million).

The 2025 statistics also include a new measure of net *member* gains from transfers with Milford, as expected, topping this table, too.

Top 5 KiwiSaver schemes by net transfers				
Scheme	Net transfer inflow $m	% scheme growth 2025	% of scheme assets 31/3/25	Net member growth via transfers
Milford	1,486	62.3	14.2	26,903
Generate	660	51.2	10	22,020
Simplicity	258	28.9	5.3	1,520
Kernel	152	77.6	42.3	3,710
Sharesies	135	81.8	43.1	5,222

If the net member and dollar figures sum up the annual transfer experience, they also obscure some of the underlying scheme dynamics.

For example, a scheme could end the 12-month period with a zero balance in the net transfer tables despite replacing its entire membership with an equal number of new entrants during the year.

While the above scenario is unlikely, a closer look at the ins-and-outs of the top transfer dollar winners above throws up at least one surprise.

The analysis below shows the total member transfers and average account balances flowing in and out of the five schemes during the year. And, mostly, the entry-exit average dollar scales are evenly poised, especially considering the different sample sizes on either side of the equation.

Simplicity, however, is a notable exception. The nine-year-old scheme booked a net member transfer gain of just 1,520 but the average incoming balance of almost $50,000 swamped the exit account size (circa $21,000).

In fact, the 2025 Simplicity transfer member-gain represents an increase on last year when the comparative surplus was only 440 or so as more than 10,000 accounts flowed both ways. As the only default provider of the bunch below, Simplicity is likely subject to more low-balance leakage.

Total member to $ transfer analysis				
Scheme	Total members in	Total members out	Average member in $	Average member out $
Milford	28,893	1,990	55,822	63,873
Generate	25,653	3,633	31,465	40,416
Simplicity	8,105	6,585	49,114	21,338
Kernel	3,903	193	40,607	33,429
Sharesies	5,954	732	25,875	26,154

The real transfer leaks, though, continue to gush out of Australian bank-owned schemes – all of them reporting spillage-increases year-on-year as per the dollar and member data below. In particular, the flagship ANZ scheme almost doubled its annual transfer outflows while ASB (the biggest downer in 2024) also saw a substantial uptick in the metric.

Westpac and Fisher Plan (ex Kiwi Wealth) ranked in the same order last year. BNZ, however, is new to the loser list: replacing AMP in a spot the latter occupied for years. Bar the 2013-vintage BNZ, the other names here are all 2007 KiwiSaver originals (Fisher Plan traces its roots to the Gareth Morgan scheme).

Top 5 KiwiSaver schemes by net transfer outflows				
Scheme	Net transfer outflow $m	% scheme growth 2025	% of scheme assets 31/3/25	Net member loss via transfers
ANZ	729	129	4.3	-14,488
ASB	505	33.5	2.8	-5,100
Westpac	353	47.2	3	-10,156
Fisher Plan	302	104	3.7	-9,225
BNZ	260	49.1	4.2	-9,670

Total member to $ transfer analysis				
Scheme	Total members in	Total members out	Average member in $	Average member out $
ANZ	13,047	27,535	15,854	33,978
ASB	19,294	24,394	17,800	34,772
Westpac	12,901	23,057	19,395	26,171
Fisher Plan	4,548	13,773	23,055	29,551
BNZ	6,600	16,270	22,300	24,999

Shrinkage: the old money problem

Total KiwiSaver funds under management (FUM) identified in this report hit a new high of about $123 billion by the end of March 2025, adding more than 10 per cent (or $11.3 billion) to the NZ retirement savings kitty.

Every financial year has ended on a new high for KiwiSaver, however, as mandated member and employer contributions have more than made up for any investment losses – so far, at least. During the latest 12-month period, contributions (after withdrawals) reached close to $6.3 billion while positive net investment returns made up the difference.

All but one (the ANZ-owned OneAnswer) of the 38 schemes in the KiwiSaver dataset put on some FUM-weight for the year but the proportional gains were unevenly distributed.

Notably, the three ANZ schemes in aggregate dropped from owning 18.8 per cent of KiwiSaver assets on March 31, 2024, to just 17.5 per cent in the latest results as below: at peak, ANZ ran over a quarter of the market.

Even the inclusion of Milford, which bumped AMP out of the big-list last year, could not stop the overall market share of the top five providers declining 1.2 per cent compared to the 2024 result. By contrast, Milford increased its market share by 1.3 per cent for the year.

Top 5 KiwiSaver providers by FUM: March 31, 2025		
Provider	**FUM $bn**	**% of Total ($123bn)**
ANZ (ANZ, ANZ Default, OneAnswer)	21.5	17.5
ASB	18	14.6
Fisher (One, Two and Plan)	17.6	14.3
Westpac	11.7	9.5
Milford	10.5	8.5
Total	**79.3**	**64.4**

Milford also piled on the most FUM for the 2024/25 period in nominal terms with an increase of about $2.39 billion – just under the $2.45 billion record it set last year and close to $800 million ahead of ASB's haul.

Aside from ASB, old-money providers including Westpac and, especially, ANZ, slid further down the dollar-growth rankings, allowing two middle-aged local scheme managers, Generate and Simplicity, to secure spots in the table below.

Top 5 KiwiSaver providers by FUM growth	
Provider	**FUM growth year to 31/3/25 $m**
Milford	2,386
ASB	1,508
Generate	1,289
Simplicity	893
Fisher (x3 schemes)	759

The biggest, oldest providers typically dominate the growth rankings given they have a larger base of contributors but the correlation is not perfect with member-flow (either first-timers or transferees) and investment performance skewing the results.

In the 2025 reporting period, neither of those two factors fired for the largest KiwiSaver provider, ANZ, which only scraped together net annual FUM-growth of about $467 million across its three schemes.

As noted previously, the bank-owned provider bled about $729 million in net transfers through the main ANZ scheme alone: including the closed-to-new-members default scheme and the adviser-distributed OneAnswer KiwiSaver, the figure rose to more than $1 billion. OneAnswer was the only scheme among the 38 to register an absolute drop in total FUM for the year, falling $107 million over the period.

Booster and BNZ lie just outside the top five FUM-gainers for the 12 months, both recording better results than the total ANZ score. Elsewhere, the long-stagnant AMP added about $445 million year-on-year despite a still-hefty transfer loss: once a top five player, AMP has drifted downwards over the last 10 years but the rate of descent appears to have slowed.

Milford, which rocketed past AMP and Fisher Plan during the previous financial year to emerge as the fourth-largest stand-alone scheme, couldn't quite escape gravity in the traditional fastest-growing scheme 2025 table.

Indeed, the fast-class of '25 features only one repeat contender from last year, Aurora, which slipped to fifth in this edition from first in 2024 as a batch of young schemes passed the somewhat-arbitrary 5,000-member threshold for entry into the category.

Smaller schemes have the low-base statistical advantage but the rapid growth of Kernel, InvestNow and Sharesies – which all launched inside the last four years offering wide, if differently structured, investment choice suggests the fresh approach is turning heads. Other multi-choice schemes, KiwiWRAP and the Nikko (soon-to-be-Amova) Goalsgetter brand, also reported strong relative growth over the 12-month period but missed the 5,000-member cut-off.

Meanwhile, the slightly older Kōura (2019 release) has only seen a surge in numbers over the last two years, probably as its ownership relationship with the large insurance/mortgage advice provider, NZFSG, bears fruit.

Top 5 KiwiSaver schemes by annual FUM growth-rate		
Scheme	FUM growth year to 31/3/25 $m	FUM growth-rate, year to 31/3/25 %
Kernel	196	121
Sharesies	165	111.7
Kōura	110	69.4
InvestNow	127	51.6
Aurora	130	50.4

Memberies (of the way things were)

In keeping with the FUM results, the largest institutional KiwiSaver firms all suffered member-loss during the 2024/25 financial year.

As a collective, the five largest providers by population went backwards by about 33,000 members over the 12-month period, giving away almost 2 per cent market share in the process, with ANZ accounting for more than 21,000 of the annual diaspora.

BNZ is the only variation in the member stats compared to the FUM figures where Milford took the fifth position: Milford had roughly 110,000 fewer members than BNZ as at March 31.

The BNZ scheme lost 688 members year-on-year but the result marks the first negative year for a once top-growth contender. Following an ownership shift to the FirstCape conglomerate in 2024, BNZ is not strictly a bank-controlled scheme anymore, although its National Australia Bank parent retains 45 per cent of the new entity.

Booster lags BNZ by about 60,000 to claim the sixth-biggest accumulation of KiwiSaver members with Generate closing fast.

Top 5 KiwiSaver providers by members, March 31, 2025		
Provider	**Members**	**% of Total (3.38m)**
ANZ (inc ANZ, ANZ Default, OneAnswer)	651,634	19.2
ASB	496,636	14.7
Fisher (One, Two and Plan)	487,499	14.4
Westpac	418,906	12.4
BNZ	243,222	7.2
Total	**2.3m**	**67.9**

Roughly half of the 38 KiwiSaver schemes covered in this study saw net member exits in the 12-month period under review with the losses, as discussed above, largely concentrated in a handful of institutions.

Mercer (-2,872) and AMP (-2,755) also rate a member mention.

ASB was the best of the bank bunch, losing only 578 members net over the year, while Pie Funds (-1,098) was the worst of the boutiques. Pie (formerly known as Juno) has been on a downward membership trend for three years, falling from a peak of almost 18,900 in 2022 to a little over 16,000 in the latest report.

Like BNZ, Pie grew quickly after launch in 2018 but the momentum has since shifted to the newer-kids-on-the-block, as documented in the FUM growth-rate tables earlier and reinforced (with a slight twist) below.

Officially launched in February 2023, the Sharesies KiwiSaver scheme didn't really get going until the following year but shot to more than 11,200 members by March 31, 2025, to overtake Pathfinder. The platform-based provider just pips Kernel in the annual member growth-rate stakes while the latter grew assets under management faster, suggesting the two are appealing to different sets of investors.

Similarly, InvestNow continues to notch-up solid – if not spectacular – annual member-growth among a higher-value audience. InvestNow boasts one of the 10 largest average member account balances in a metric that puts Kernel and Kōura about midfield and Sharesies near the bottom.

Top 5 KiwiSaver schemes by member growth-rate		
Scheme	Member growth year to 31/3/25	Member growth-rate year to 31/3/25 (%)
Sharesies	5,824	108
Kernel	4,157	100.5
Kōura	2,429	59
InvestNow	1,640	39
Aurora	3,716	35

A break for fee-time

After a small increase in the aggregate cost of KiwiSaver last year, the needle dipped lower again during the 12 months to March 31, 2025.

Total gross fees and expenses identified in this study landed at about $867 million, representing a circa 10.4 per cent increase on the 2024 charges of $785 million or so – about in line with the overall KiwiSaver asset-growth.

The figure encompasses investment management and (the increasingly rare) member administration fees as well as other operational costs.

Weighed against the average KiwiSaver FUM from the 2024 and 2025 March 31 numbers ($117.4 billion), the cost ratio fell to 0.74 per cent from 0.76 per cent last year.

On a net basis, which takes into account some related party fund fee-rebating and reporting practices, the total KiwiSaver costs flowing through annual accounts was almost $840 million. Some schemes disclose rebates (if they report them at all) as part of investment returns while others shift the figure to the fees column – the latter move, for example, saw Pie KiwiSaver notch-up a negative fee-line of more than -$3 million.

As discussed in previous editions of this series, the advent of platform-based schemes has further complicated the process of identifying KiwiSaver costs with fees and expenses typically shifted into related entities – as per Kernel and Sharesies, for example – and/or underlying funds (see InvestNow).

The tables below exclude the platform players as well as others where some costs are not explicit – notably, Summer and SuperLife – to compare schemes on a like-for-like basis.

Schemes with low member-bases (defined as under 5,000) also miss the cut for the cost-analysis, narrowing the range of annual fees and expenses to between 0.3 per cent to 1.3 per cent of average KiwiSaver FUM over the 12 months to March 31, 2025.

Including all schemes, costs zoomed from 0 per cent to 1.9 per cent.

Eventually, of course, even undisclosed fees and expenses will fall on scheme members in the form of lower returns.

Top 5 KiwiSaver schemes by fees/expenses charged $		
Scheme	Fees/expenses $m	% of average FUM 2024/2025
ANZ (main scheme)	136.8	0.8
ASB	103.9	0.6
Generate	77.4	1.3
Fisher Plan	69.3	0.9
Booster	66.8	1.3

Top 5 KiwiSaver schemes by fees/expenses per FUM		
Scheme	Fees/expenses $m	% of average FUM 2024/2025
Generate	77.4	1.3
Pathfinder	5.3	1.3
Booster	66.8	1.3
QuayStreet	4	1.2
NZ Funds	10.4	1

Bottom 5 KiwiSaver schemes by fees/expenses per FUM		
Scheme	Fees/expenses $m	% of average FUM 2024/2025
Simplicity	11.5	0.3
BNZ	26.2	0.4
Supereasy	2.2	0.4
Westpac	52.8	0.5
ASB	103.9	0.6

Pacemakers: a performance of one half

Markets moved in mysterious ways over the 12 months to March 31, 2025 with a curb-trip in the final quarter slowing average annual KiwiSaver scheme returns to about 5.5 per cent.

In dollar terms, gross investment performance added almost $640 million to KiwiSaver accounts – about half the 2024 figure – for an average return of approximately 5.5 per cent (from 12.6 per cent last year).

Despite the average slow walking-pace returns, however, every scheme bar the niche AE (for Always Ethical, formerly known as Amanah) operation crossed the March 31 finish line ahead of zero before fees and taxes.

Excluding the AE result (-10 per cent) due to the under 5,000-member rule, NZ Funds and Craigs Investment Partners bookended the KiwiSaver gross performance spectrum with respective returns of 0.4 per cent and 9.1 per cent.

As per usual, the investment performance figures used in this report come with a warning that they are for illustrative purposes only, based on annual averaged scheme total returns rather than fund-specific, risk-weighted, cashflow-adjusted, long-term performance.

Nonetheless, the aggregated returns for the 12-month period do broadly reflect underlying scheme and member investment behaviours. The ever-volatile NZ Funds scheme, for instance, ended the year down the bottom (ex AE) of the performance table following a top-five result last year that, in turn, came after a second-last result in the 2023 report.

If NZ Funds is possibly one of the most zig-zaggy performers, the more consistent Milford had an off-year by its standards, finishing mid-pack, performance fee-less and out of the running for the top five.

The five best average returns for the year include an eclectic mix of active- and passive-leaning managers, headed by the still loosely related Craigs and QuayStreet: both schemes were in the top-five ranks last year, too.

Craigs KiwiSaver offers members a wide choice of direct and managed investments through the group's adviser network but continues to favour its former subsidiary, QuayStreet, for diversified funds. The NZX bought QuayStreet late in 2022, bringing an active manager into the previously passive house.

Index-focused schemes, though, filled out the three-to-five spaces atop the annual performance charts. Both ASB and AMP are advised-by and invested-via BlackRock to varying degrees while Simplicity has most of its assets managed by the Deutsche Bank-owned indexer, DWS.

At the bottom end of the scale this year, all five schemes pursue active management philosophies of different stripes – led by NZ Funds followed by Pie and Sharesies (which requires members to allocate at least 50 per cent to one or more 'base' diversified products with the remainder available to invest in a menu of NZ- and US-listed shares and ETFs).

Top 5 KiwiSaver schemes by gross annual performance		
Scheme	Total return $m	Performance %
Craigs	60.9	9.1
QuayStreet	24.9	7.5
ASB	1,227	7.1
AMP	446	6.5
Simplicity	289	6.5

Bottom 5 KiwiSaver schemes by gross annual performance		
Scheme	Total return $m	Performance
NZ Funds	4	0.4
Pie Funds	6.8	1.3
Sharesies	4.1	1.8
Pathfinder	13.7	3.3
ANZ	655	3.9

Net performance brings the platform-based and traditional KiwiSaver schemes onto the same page where all costs and tax are accounted for.

And the performance picture changes somewhat after subtracting fees and tax as per the table below, particularly at the top-end where Kernel and InvestNow sneak in at the expense of AMP and Simplicity.

The 2025 result could be seen as a victory of the self-select model with Craigs, InvestNow and Kernel all in that camp even if the Sharesies result spoils that thesis.

Of course, one round of 12-month return figures offers little insight into the matter but aggregate performance of self-select schemes (a group also including Goalsgetter and KiwiWRAP) will be interesting to monitor over time as a growing cohort of members exercise more personal choice – advised or not – of funds and direct securities in their retirement savings portfolios.

Top 5 KiwiSaver schemes by net annual performance		
Scheme	Total net return $m	Performance %
Craigs	49.5	7.4
QuayStreet	22.1	6.6
Kernel	15.5	5.9
ASB	996	5.8
InvestNow	16.5	5.3

Bottom 5 KiwiSaver schemes by net annual performance		
Scheme	Total net return $m	Performance
NZ Funds	-23.7	-0.23
Pathfinder	6.2	1.5
Pie Funds	9.2	1.7
Sharesies	3.9	1.7
ANZ	415	2.5

Ownership goals: the Australian KiwiSaver legacy

How Kiwi is KiwiSaver?

The answer is about a third as viewed from a scheme ownership perspective in a market still dominated by Australian institutions.

Australian banks plus AMP controlled approximately $80 billion of KiwiSaver funds with a further $3 billion-ish from owners based in other domiciles. The foreign ratio ticks up above 70 per cent after adding in the third of Fisher Funds owned by US private equity manager, TA Associates.

Aside from the $310 million Kiwi Wealth sale to Fisher (historically the most acquisitive in the market) and the BNZ sidestep to FirstCape, high-end KiwiSaver-related dealmaking has been limited of late. A reported move by Westpac to hive off its KiwiSaver earlier in 2025 has, unfortunately for media interests, faded into a forgotten rumour.

Regardless, the last five years have seen several KiwiSaver equity changes including a spate of events after balance date that saw new owners take slices of JMI Wealth, KiwiWRAP and Pathfinder.

The above three deals were only partially related to KiwiSaver but will still have some consequences. KiwiWRAP, for example, is likely to receive a big distribution boost as part of the FirstCape conglomerate, which houses the JBWere advisory network (now combined with Jarden).

FirstCape purchased KiwiWRAP-owner Consilium in May 2025, primarily for its platform capability and assets as well as connections with independent financial advisers. But the self-select KiwiSaver scheme (built on FNZ technology), reporting about $150 million and 900 members as at March this year, could fit well with the JBWere advisers.

As it happens, FirstCape became the proud owner of three KiwiSavers in the wake of the Consilium purchase after the latter launched a new scheme, Evidential, just prior to the sale (and technically within the 2024/25 financial year on March 26). Evidential comprises a more traditional KiwiSaver model, offering low-cost funds based on Consilium model portfolios, distributed through financial advisers.

Fisher and ANZ also own three schemes but both have closed at least one to new members: only the Fisher KiwiSaver Plan (former Kiwi Wealth) is open to new members; ANZ closed-off its default scheme in 2021.

Behind the scenes, another important ownership shift has occurred among scheme administrators after Apex (formerly MMC) bought the fund-accounting, custody and unit-pricing business of Trustees Executors in 2024. As the new expanded admin data fields compiled for this report reveal, Apex forms the backdrop for about a third of KiwiSaver schemes while a similar proportion of providers manage the services in-house.

KiwiSaver shopping list: a five-year retrospective	
Aon	Purchased by Fisher Funds in October 2021
BNZ	Folded into FirstCape in April 2024: ownership split between NAB (45 per cent), Pacific Equity Partners (35 per cent) and Jarden (20 per cent)
Craigs	TA Associates buys half in December 2024
Forsyth Barr (Summer)	Australian PE firm, Mercury Capital, to take up to 30 per cent of firm as per July 2025 release
InvestNow	Sold as part of Apex purchase of Implemented Investment Solutions in 2022
JMI Wealth	Australian wealth manager, Shaw and Partners, bought 75 per cent of parent NZ Investment Services Group in June 2025
Kiwi Wealth	Fisher Funds acquired in August 2022
KiwiWRAP	Purchased when FirstCape (BNZ KiwiSaver owner) snapped-up Consilium in May 2025
Kōura	A consortium including Australian-owned, NZFSG, bought about half in 2021
Pathfinder	Rātā Foundation took a quarter stake in parent company, Alvarium Wealth in March 2025
QuayStreet	NZX acquired from Craigs in November 2022, settled in February 2023

Conclusion

After 18 years on the trot, KiwiSaver has grown up fast to accumulate $123 billion managed on behalf of almost 3.4 million members as at March 31, 2025.

Compared to other government-assisted retirement savings vehicles such as the A$4 trillion plus Australian superannuation system, of course, KiwiSaver is not even toddler-size.

But as this report has detailed, the NZ regime is already showing signs of maturity (also known as tiredness). Year-on-year KiwiSaver member-growth sunk to a record low of just over 51,000, or 1.5 per cent: down from the 2024 result of 80,000 (2.4 per cent) and well below previous member-increase trends of 100,000 or more.

The flaccid 2025 new-member statistics may simply reflect the wider economic woes in NZ that have seen thousands of citizens seek refuge across the Tasman as employment opportunities narrow at home.

Other KiwiSaver metrics such as hardship withdrawals, now sought by more than 4,000 members each month compared to an average less than 2,000 prior to 2023, point to some pain in the community.

At the same time, total withdrawals jumped from almost $5 billion in the 2024 reporting year to $5.6 billion in the period covered by this report, rising at a faster proportional clip than contributions (excluding investment returns), which increased $1 billion year-on-year to $12.2 billion.

Not all schemes supply a breakdown of withdrawal reasons but the most significant drainage points of first-home and retirement undoubtedly opened up a little wider over during the 12 months to March 31.

And while the annual report data is even sketchier on KiwiSaver transfers to Australian super funds, the available sample tracked in this study suggests more money probably crossed the Tasman than shifted to NZ for what may be the first time this year.

The Australian super fund transfer amounts remain trivial versus overall KiwiSaver contributions but the trend is a slight worry.

Yet the KiwiSaver leakage problem could accelerate further under reported government plans to crack open the supposed retirement savings system further to allow withdrawals to buy farms, sheep, rental properties…

From April 1, 2026, the two-year process to raise the baseline employer and employee contribution rates from the current 3 per cent to 4 per cent begins in a move that should eventually more than counter any increased outflows – albeit with members able to opt-out at any time. Similarly, inviting the previously excluded 16- and 17-year-olds into the contributions tent (again starting the next financial year) will boost flows.

However, the decision to halve the, already inflation-debased, annual member tax credit to just $260.72 and capping the payment to those earning below $180,000 – effective now – might lower participation in KiwiSaver at the margins among the self-employed, for example, or encourage more New Zealanders to adopt 'total remuneration' packages and by-pass the locked-in-to-65 savings regime.

As this report shows, KiwiSaver member behaviour is already changing.

"Many teenagers spend a good amount of time dreaming of the day they turn 18 and gain a bit of freedom from their parents," *The Fact Site* says.

Fun.

The findings in this report are based on figures collected from the annual reports of 38 KiwiSaver schemes. A complete set of the data in Excel spreadsheet form, covering member and funds under management trends; fees and expenses; investment returns; scheme transfers and other metrics, is available for the same old price of $460 plus GST ($529 including GST).
Please contact the author at david@investmentnews.co.nz or ph +64 21 022 575 03 for further details.