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Welcome to the Winter edition of the Milestone Newsletter for 2026

It is hard to believe we are nearly halfway through the year. To date, the conflict in the Middle East has pushed up fuel prices, disrupted shipping through the Strait of Hormuz, and added to inflation concerns around the world.

Here at home, the Reserve Bank has left the OCR at 2.25%, and the Government has delivered the Budget.

Despite all this uncertainty, share markets around the world have rebounded strongly, with AI related companies continuing to dominate gains in the US market. New Zealand, however, continues to struggle with a broad based economic recovery amid higher fuel costs and ongoing supply concerns.

We are also pleased to share some good news within Milestone. Melissa from our Christchurch office has been nominated for an award in the Ethical and Impact Investment Awards, and we wish her all the best.

In this issue, we introduce the new Retirement Commissioner and highlight recent research on KiwiSaver balances from the Retirement Commission. We also cover the FMA's recent review of how New Zealanders access

financial advice, proposed Budget changes to the tax treatment of overseas investments, and an article on AI and the workforce, along with a couple of recipes to try over the cooler months.

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Congratulations to Melissa

Milestone Financial is proud to celebrate **Melissa Allen** from our Christchurch office on her nomination for Mindful Money's Best Ethical Financial Adviser award in the 2026 Ethical & Impact Investing Awards. This prestigious national recognition reflects Melissa's long-standing commitment to helping clients invest in line with their values while building financial confidence at every life stage. As a director and financial adviser, she has championed responsible investment conversations, transparent advice, and practical

strategies that avoid harm and support positive impact.

Melissa's nomination acknowledges her leadership in integrating environmental, social, and governance considerations into everyday financial planning, making ethical investment accessible and relevant for a wide range of New Zealanders. We are delighted to see her expertise, care, and client-focused approach recognised on a national stage, and congratulate her on this well-deserved achievement.



Welcoming our new Retirement Commissioner



David Boyle has stepped into the role of New Zealand's new Retirement Commissioner, leading Te Ara Ahunga Ora Retirement Commission for an initial three-year term.

Many readers may recognise David from his long involvement in the financial services industry and his regular appearances in the media, where he has spent years helping to make money matters clearer and less intimidating for everyday New Zealanders.

The Retirement Commission is the government agency behind well-known initiatives like Sorted, which helps people feel more confident with their money at every age and stage. Its work ranges from supporting financial education in schools and workplaces to providing tools for things like budgeting, KiwiSaver decisions, and planning for life after paid work.

The Retirement Commissioner also keeps an eye on the bigger picture, regularly reviewing New Zealand's retirement income settings and playing a key role in the retirement village space.

David is well known to Milestone through his work in the financial services industry. We are looking forward to seeing how his experience and passion for financial education shapes this important role.



KiwiSaver balances: where do you stand?



New analysis from the Retirement Commission shows KiwiSaver balances continued to grow in 2025.

As at 31 December 2025, the average KiwiSaver balance across all members was \$41,286, up 11.3% on the year before. Men's average balance was \$47,452 and women's \$38,212.

On average, men have 24% more in KiwiSaver than women. This gap reflects differences in earnings and time in paid work that build up over a lifetime.

Average balances by age:

Balances start small in the early years and grow as people move through their careers:

- Ages 18–25: \$10,567
- Ages 26–30: \$21,308
- Ages 31–35: \$26,231
- Ages 36–40: \$33,070
- Ages 41–45: \$43,187
- Ages 46–50: \$55,010
- Ages 51–55: \$65,873
- Ages 56–60: \$72,861
- Ages 61–65: \$77,927

Contributors vs Non-Contributors

The biggest divide is between

those who kept contributing and those who didn't:

- 70% of members contributed in the year to 31 December 2025
- Contributing members: average balance \$50,727
- Non-contributing members: average balance \$19,553

That means people who kept contributing have, on average, about two and a half times more in KiwiSaver than those who have stopped. Over time, and as members get closer to retirement age, this gap widens further.

What this means for you

Three practical messages come through clearly from the Retirement Commission's data:

- For members 18–35, starting early and staying in KiwiSaver gives contributions the longest time to grow, even if balances still look small today.
- Across all ages, staying in and contributing regularly is one of the strongest drivers of balance growth over time.
- Breaks in contributions, for example, during study, overseas travel, family time or career changes, can leave lasting gaps if not planned for, and women or anyone with more interrupted

work patterns may need to be especially proactive about their contribution rate and fund choice.

Practical steps to take now

If you're unsure whether your KiwiSaver balance and contribution rate are on track for your future goals, consider taking these steps:

- Contact us to review your current KiwiSaver balance and contribution rate.
- Compare your balance with the latest age-group averages from the Retirement Commission, whether you're 18, 35 or 60.
- Explore how increasing your contribution rate, even by a small amount, could change your projected retirement outcomes.
- Check that your current fund type still fits your timeframe and comfort with risk.

Access to financial advice – what the FMA found, and how Milestone can help

The Financial Markets Authority (FMA) has recently reviewed how New Zealanders access financial advice.

The research found that only around 28% of adults received financial advice in the last 12 months, with people on lower incomes and some communities – including Māori and Pasifika – much less likely to get help. Many said they were unsure what financial advice actually is, how to find an adviser, or what it might cost, and some felt their situation was “too small” to warrant professional advice.

Cost, not knowing where to start, and a preference to “do it myself” were among the main reasons people gave for not seeking advice, even when they knew support could make a difference. In response, the FMA is encouraging advice providers to offer more flexible, right-sized services so New Zealanders can get timely, affordable guidance – not just full financial plans.

At Milestone Financial, we strongly support this focus on improving access to quality advice. Our advisers work with clients at different life stages and income levels, across areas such as KiwiSaver, retirement planning, investments, debt management and personal or business insurance.



We aim to make advice approachable and practical – taking the time to understand each person’s goals and concerns, then explaining options in clear, straightforward language.

If you have friends, family members or colleagues who are worrying about money decisions or unsure where to start, you are very welcome to connect them with us. We are happy to offer an initial, obligation-free conversation so they can ask questions, understand how advice works and decide whether working with Milestone feels right for them.

Budget 2026: Proposed changes to how overseas investments are taxed

What’s changing with offshore investments?

The Government has announced changes to how some overseas investments are taxed for New Zealand residents. These changes are aimed at making things simpler and fairer, especially for smaller investors.

Higher threshold before FIF applies

At the moment, many people with modest amounts in overseas shares or funds have to deal with the complex Foreign Investment Fund (FIF) rules. The Government is doubling the “de minimis” threshold from \$50,000

to \$100,000 of cost for most overseas investments (excluding many Australian shares).

In practice, this means:

- If your qualifying overseas investments stay under \$100,000 (cost), you are likely to be **outside** the FIF rules once the changes apply.
- This should reduce paperwork and uncertainty for smaller investors.

New way of taxing foreign shares

For people with larger overseas investments, the Government is introducing a new way to

calculate tax called the **revenue account method**.

Under this method, rather than paying tax each year on a deemed return of 5% of your opening portfolio value (FDR) or on the actual movement in your portfolio (CV), you pay tax only when you sell an investment. Tax is paid on actual dividends and the realised gain.

Next steps

The detailed rules, start dates and eligibility criteria still need to be confirmed in legislation. Once that is in place, we will let you know if you benefit from the higher threshold.

Will AI replace my job?



AI is changing the way many people work, but that does not mean it will replace most jobs. For Kiwi workers and businesses, the bigger issue is how to use it well and adapt as roles evolve.

There has been a lot of talk in New Zealand and overseas about artificial intelligence replacing people at work, including in office and professional roles. A more balanced view is that AI is far more likely to change how we work than to remove the need for people altogether.

Many Kiwi businesses are already quietly using AI tools to read and summarise long documents, draft marketing material, or help screen job applications. In practice, these tools tend to handle the more repetitive or time-consuming parts of a role,

freeing people up to focus more on judgment, client relationships and solving real-world problems.

If we look at the last few decades, earlier waves of technology, from the personal computer through to the internet and smartphones, have generally reshaped jobs rather than eliminating employment altogether. Over time they have supported higher productivity, new industries and new types of work, even as some specific tasks have disappeared. AI is also more likely to transform jobs than destroy them.

For most New Zealanders, the key question is shifting from "Will AI replace my job?" to "How can I use it as a tool in my work or business?" Skills such as clear communication, critical thinking, ethical judgement and the ability to build trust with clients and colleagues remain central and are hard to automate.

From an investment point of view, AI is one of several powerful trends that could support growth over the long term, but not every company using AI will be a winner. The focus, as always, is on well-managed businesses with sound balance sheets and sensible strategies that can adopt new technologies in a sustainable, profitable way.

Spicy Pumpkin Soup

Ingredients

- 1 medium onion, finely chopped
- 3-4 cloves garlic, finely chopped
- 1 tsp grated fresh ginger
- 3 rashers bacon
- 1-2 tbsp red curry paste
- 1 medium-sized pumpkin
- 4-6 cups chicken stock
- 400 ml can coconut cream

Method

1. Carefully peel, remove the seeds and cut the pumpkin into small pieces
2. Heat a dash of olive oil and a knob of butter in a large pot
3. Add the onion and garlic, and gently cook until the onion is soft
4. Add the ginger, chopped bacon and curry paste and cook for five minutes
5. Place the small pieces of pumpkin in the pot and cook slowly for 2-3 minutes
6. Add stock and coconut cream and simmer for 15 mins
7. Puree with a hand-held blender
8. Season with salt and pepper
9. Divide into bowls and top with coriander or parsley. Serve with ciabatta bread.



Ciabatta Bread

Ingredients

- 6 cups high grade flour
- 1 tsp dry yeast
- 1 tsp salt
- 1 tbsp sugar
- 4 cups warm water

Method

1. Mix yeast with warm water and leave for 10 minutes
2. Add salt, sugar and 4 cups of the flour
3. Combine together, cover the bowl with plastic cling wrap and leave overnight
4. Mix in the remaining 2 cups of flour, cover and leave for another 2-3 hours
5. Preheat the oven to 230 degrees
6. Dump the dough onto a well-floured board and cut into 4 portions
7. With well-floured hands, carefully stretch into flat ciabatta loaves on a lined oven tray
8. Bake for 15-20 minutes

Tip: to stop the dough from sticking to the plastic cling wrap, spray with oil



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