MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Kris Faafoi	**Portfolio**	Commerce and Consumer Affairs
Title of Cabinet paper	Settings for KiwiSaver Default Funds	**Date to be published**	10 August 2020

List of documents that have been proactively released		
Date	**Title**	**Author**
4 December 2020	*Settings for KiwiSaver Default Funds*	*Office of the Minister of Commerce and Consumer Affairs*
4 December 2020	*DEV-19-MIN-0342*	*Cabinet Office*
4 December 2020	*Impact Summary: Transfer of Members between providers of default funds*	*MBIE*
22 January 2020	*Further advice on settings for KiwiSaver default funds*	*MBIE*

Information redacted **YES**

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Some information has been withheld for the reasons of to protect the privacy of natural persons, to maintain legal professional privilege, and to maintain the constitutional conventions for the time being which protect collective and individual Ministerial responsibility.

In Confidence

Office of the Minister of Finance

Office of the Minister of Commerce and Consumer Affairs

Chair, Cabinet Economic Development Committee

SETTINGS FOR KIWISAVER DEFAULT FUNDS

Proposal

1. This paper seeks Cabinet feedback on our proposals regarding the terms and conditions on which new providers of KiwiSaver default funds will be appointed.

Executive summary

2. KiwiSaver members who do not choose their own fund and are between 18 and 65 years of age are automatically enrolled in a "default fund". The terms of appointment for the existing nine providers of default funds expire on 30 June 2021. We are the Ministers responsible for appointing new providers of default funds.

3. After ten years of KiwiSaver, we now know that many KiwiSaver default members are not engaging with their KiwiSaver accounts in the way that had been expected. A significant number of people (around 398,000) have stayed in default funds without making an active choice to do so.

4. The settings for default funds can make a significant difference to a person's retirement income, so it is important that the default funds work well for people.

5. We propose:

   5.1. to change the investment mandate from conservative to balanced;

   5.2. to use the procurement process as the primary lever to reduce fees for default members;

   5.3. to limit the kinds of fees that can be charged, so that fees are simple and transparent;

   5.4. not to seek an unlimited number of default providers or a drastically reduced number of providers;

   5.5. to include responsible investment obligations for default providers;

   5.6. to require that default members of any providers that are not reappointed be transferred to the providers appointed for the term starting 1 July 2021;

   5.7. to impose member engagement obligations on default providers;

5.8. to use the procurement process to encourage default providers to offer initiatives to support the development of New Zealand’s capital markets; and

5.9. to use the procurement process to encourage default providers to offer proposals that will benefit members with low balances.

6. After taking into account Cabinet feedback as appropriate, the proposals described in this paper will be used as the basis for the procurement process for appointing new default providers.

Background

7. KiwiSaver members who do not choose their own fund and are between 18 and 65 years of age are automatically enrolled in a “default fund”. There are currently nine providers of default funds. Their appointments expire on 30 June 2021.

8. Under the KiwiSaver Act 2006, we are the Ministers responsible for appointing new default providers, after seeking advice from the Financial Markets Authority. We are also responsible for deciding the terms and conditions on which default providers are appointed. The settings for these terms and conditions are important – they can make a significant difference to a person’s retirement income.

9. This paper seeks Cabinet feedback on our high-level proposals regarding the settings for default funds. These settings will form the basis for both the procurement process and the terms and conditions on which default providers are appointed.

10. We believe the proposals are justified based on the purposes of the KiwiSaver Act, as well as the wider goals of this Government. Drawing on both, the criteria we have applied in forming our proposals are to:

10.1. Ensure a better financial position for KiwiSaver default members, particularly in retirement (highest weighting).

10.2. Promote trust and confidence in KiwiSaver (high weighting).

10.3. Ensure low administration and compliance costs (low to moderate weighting).

10.4. Support the development of New Zealand’s capital markets that contribute to individuals’ well-being (low weighting).

10.5. Promote innovation, competition, and value-for-money across KiwiSaver (low to moderate weighting).

11. We previously consulted publicly on a discussion paper about the default fund settings titled Review of KiwiSaver Default Provider Arrangements Discussion Paper (the discussion paper). Feedback from that consultation has informed our proposals. A high level summary of submitter views on the proposals is attached as Annex 1.

Change away from a conservative investment mandate

12. Default funds currently have a conservative investment mandate, which means that they have a low proportion of assets invested in growth assets. The current range for default funds is 15%–25% invested in growth assets.

13. We propose moving away from the current conservative investment mandate, to improve the financial well-being of default members in retirement.

14. The current conservative investment mandate reflects that the default funds were initially envisaged as a "parking space" for default members. It was assumed that an ability to earn higher returns in a more growth-oriented fund would encourage members to actively choose the best fund for them.

15. However, we now know that individuals are staying in default funds and are not making active decisions about their retirement savings in the way that had been expected. Approximately 398,000 people remain in default funds who have not made an active choice to stay there. This is approximately 14% of all KiwiSaver members.

16. Staying in a conservative fund has a significant impact on a person's KiwiSaver balance. For an 18 year old who earns an average salary of $42,500 a year and contributes 3% a year to KiwiSaver, a conservative investment mandate is estimated to result in a KiwiSaver balance at retirement (age 65) that is about $56,000 lower than if a balanced fund was chosen. Assuming a life expectancy of 90 years, an investment in a balanced fund equates to an estimated $242 a week in retirement, as compared with only $166 a week in retirement for a conservative fund.

17. No investment mandate will be right for everyone, so it will still be necessary for providers to help their members choose a fund that suits them.

Change to a balanced investment mandate

18. We propose that KiwiSaver default funds have a balanced investment mandate. According to guidance from the Financial Markets Authority (FMA), a balanced option would have a moderate (35–63%) proportion of assets invested in growth assets. We would set a narrower allowable range for the default funds, within this broader range.

19. Adopting a balanced investment mandate would:

    19.1. increase the likely long-term returns for default members as compared with a conservative investment mandate, but retain the stability of having some income assets (which are lower-risk);

    19.2. be simple for consumers to understand, which could increase trust and confidence in KiwiSaver; and

    19.3. be simple to provide, which could potentially keep fees low for members.

20. The level of risk and return in a balanced fund is appropriate for people who have not made a decision to be in a default fund. Those people are likely to be financially better off in the long-run than they would be if the default funds had a conservative

investment mandate. Obligations on default providers to engage with their members would then play an important role in encouraging default members to make choices about their KiwiSaver funds.

21. The proposal is largely consistent with the recommendation of the Capital Markets 2029 Taskforce that a member's future contributions should be directed to a balanced allocation after three years.

Other options considered

22. The discussion paper also consulted on a growth (63–90% in growth assets) or life-stages investment mandate (in which members would be stepped from a growth approach to a conservative approach as they get older).

23. We do not propose those options. A growth mandate, and the growth stage of a life-stages mandate, would have greater volatility. Default members might find this volatility alarming, which could result in them switching to a lower risk portfolio bracket (locking in their losses), or reducing or stopping contributions. In a market downturn, members with a growth allocation could suffer higher losses, leading them to not have the planned funds at their disposal (e.g. for a first-home deposit) at that time. Adverse outcomes for even a small number of first-home buyers could have reputational effects for KiwiSaver, affecting trust and confidence.

24. Based on the current life-stages offerings, a balanced option is expected to have similar returns in the long-run compared with a life-stages option. The main benefit of a life-stages option is lower risk for older people. However, we propose to include member engagement requirements directed towards older default members to address the concern that a balanced fund may not be appropriate for them because they are more likely to withdraw their savings in the short-term.

Fees options

25. Fees can make a big difference to the financial well-being of default members, because they directly contribute to the level of KiwiSaver savings at retirement. The appointment process for default providers is the government's primary lever to influence fees for default funds.

26. We are proposing a combination of approaches aimed at decreasing fees for default members.

Pressure on fees through procurement process

27. We propose a two-stage assessment process for tenders in which providers are required to submit their proposals (excluding fees) separately from their fee proposals.

28. Officials will provide decision-making Ministers with advice on procurement before the procurement documents are finalised and proposals sought. We expect that evaluation panel would first assess proposals against certain minimum criteria (for example, that they are licensed managed investment scheme, that they can provide the investment mandate). Only the providers that meet the minimum criteria would proceed to the next stage.

29. The evaluation panel would then assess proposals against certain qualitative criteria (for example, each provider's member engagement offering). Fees would then be overlaid separately and a value-for-money assessment made. In accordance with the Government Rules of Sourcing, the evaluation panel would also consider broader outcomes relevant to the procurement such as environmental, social, economic or cultural benefits.

30. Our view is that this approach would increase the extent to which the evaluation panel can take into account fees and value-for-money in a meaningful way. It would also strengthen the incentives for KiwiSaver providers to make strong offers in the procurement process. We also intend to make it clear that we are open to seeing a reduction in the number of providers which should also sharpen providers' offers.

Fees for members with low balances

31. We also propose that providers be asked, during the procurement process, how their proposals will benefit members with low balances. This would encourage providers to offer lower (or no) fees for members with low balances, while leaving providers some flexibility around their pricing structures. There are a number of KiwiSaver providers who already offer lower fees to members with low balances.

32. This proposal may lead to members with higher balances paying more than members with lower balances. However, it could encourage a savings habit for people entering KiwiSaver and could make KiwiSaver more attractive to individuals on low incomes, many of whom would have low balances.

Limiting fees to a percentage-based and annual fee

33. Currently, providers charge a main percentage-based management fee, and most providers also charge an annual or monthly fee. In addition, many providers also charge additional variable fees, as well as fees that consumers would not be able to translate to a percentage or dollar amount (such as "actual costs associated with managers of underlying funds" and "fees for expenses").

34. We propose that providers be limited to charging a single percentage-based fee and a single annual or monthly fee. Providers could choose to charge one or the other, or both. We also propose that providers be prohibited from charging fees that consumers would not be able to translate to a percentage or dollar amount.

35. Providers would not be prohibited from charging fees that are different for different customers (for example, a single fixed fee that increase in stages as a member's balance increases, a percentage-based management fee that decreases as a member's balance increases, or no fees for low balances).

36. This proposal would make fees more simple and transparent, which may promote trust and confidence in KiwiSaver. It would also make it easier for the evaluation panel to compare fees between default funds, which could result in better value-for-money from the procurement process.

37. We do not want to limit innovation in fee proposals, so we also propose having an exception to the limits described in paragraph 34, for providers that can demonstrate

that their innovative fee proposals are simple, transparent and represent value-for-money.

38. There would also be an exception for fees associated with inbound overseas pension transfers. It is appropriate that these fees remain user-pays, as they are a one-off cost for a specific service. The FMA has advised that it agrees that there should be an exception for these fees.

Options we are not proposing

39. We are not proposing the following fee options:

39.1. Limiting fees to a percentage-based fee only, or mandating no fees for low balances. Those options would increase barriers to entry to the default market by delaying the point at which new providers would break even.

39.2. Having the government set a fee, which risks default members paying too much (if the fee is set too high) or risks discouraging providers from tendering (if the fee is set too low).

39.3. Assessing non-default fees of potential default providers, as we do not consider that this is appropriate or relevant in the procurement process.

Number of providers

40. There are currently nine providers of default funds. We would emphasise before the procurement process that we are seeking the best procurement outcome and that this might mean that some default providers are not reappointed and the number of providers might reduce.

41. We do not propose having an unlimited number of providers, which was one of the recommendations made by the Capital Markets 2029 Taskforce. We think this option would likely decrease competitive pressure in the procurement process and could increase the cost of monitoring default providers.

42. Neither do we propose setting out to drastically reduce the number of providers (for example, to 4 providers or 1 provider). That option would concentrate risk and give the appointed providers a disproportionate advantage over non-default providers. However, it is possible that only a few providers might be appointed if only those providers meet the criteria for appointed.

Responsible investment

43. We propose imposing responsible investment obligations on providers, including sector exclusions, environmental, social and governance (ESG) obligations, and disclosure requirements.

44. This is an opportunity to ensure that default funds are invested more responsibly. Making changes in the settings for default funds could also lead to provider-led change across KiwiSaver.

45. There was high consumer interest in responsible investment options in the public consultation process. A recent Colmar Brunton survey also showed that 83% of New

Zealanders expect their KiwiSaver investments to be invested responsibly and ethically, up from 72% in 2018.

Sector exclusions

46. We propose that default providers be required to exclude illegal weapons (cluster munitions, anti-personnel landmines, nuclear weapons) and fossil fuel production from their default fund investment portfolios.

47. We would decide the scope of each of these exclusions (including materiality thresholds) in advance of the procurement process.

48. The exclusion of fossil fuel production reflects the Government's commitment to take action on climate change, and transition to a low-emissions economy.

49. Sector exclusions are straightforward for consumers to understand, and could increase trust and confidence in KiwiSaver if the excluded sectors align with the values of default members. However, the decision to exclude particular sectors is subjective, and could attract criticism.

50. Providers have indicated that the administrative costs of implementing sector exclusions are likely to be fairly low.

51. The number of exclusions needs to be limited to reduce the risk that returns would be impacted. That is important because there is some evidence that excluding too many sectors can negatively impact returns. This would not be aligned with the purpose of the KiwiSaver Act, which is focussed on the financial well-being of default members.

ESG requirements

52. We propose that default providers be required to maintain a responsible investment policy and commit to assessing ESG issues in making decisions about investments. Default providers would be required to report to the FMA regularly on their progress against their commitments.

53. ESG requirements are broader than sector exclusions, and are primarily a financial measure. There is evidence that better ESG performance correlates with better long-term financial performance. Most providers already have responsible investment policies, and all current default providers say that they incorporate ESG criteria in their investment decision-making. Accordingly, we expect that the proposal would not meaningfully increase costs for default providers.

Disclosure requirements

54. We also propose that providers be required to disclose, on their websites, their responsible investment practices, including:

    54.1. the industries/sectors the provider excludes;

    54.2. a description of their ESG policy, including how ESG is taken into account in making investment decisions; and

54.3. any certifications the provider holds.

55. Disclosure requirements would increase transparency and make it easier for consumers to compare the responsible investment practices of default providers. They would be relatively low-cost for providers to implement.

Transfer of default members

56. Default providers must comply with their instruments of appointment, which set out the terms and conditions on which they are appointed. Once the term for the current providers ends on 30 June 2021, members of default providers who are not reappointed would no longer receive protection under the new or former instruments of appointment (for example, in relation to fees).

57. We propose that the default members of default providers who are not reappointed (if any) would be transferred to the default providers appointed for the term beginning 1 July 2021. Reappointed default providers would retain their members. Members who have made an active choice to join or stay in a default fund would not be transferred.

58. Officials will carry out further work on how transferred members would be allocated. If feasible and consistent with the Act, allocation would be carried out such that appointed providers with fewer or no default members would receive a greater proportion of transferred members.

59. The proposal would ensure that default members continue to receive protections under the instruments of appointment. In addition, the proposal would:

59.1. Incentivise existing providers to help their members make an active fund choice.

59.2. Incentivise existing providers to make competitive bids in the upcoming tender process.

59.3. Incentivise new providers to bid for default provider status (because there is a chance of receiving a cohort of members at the outset), potentially bringing new and more innovative providers to the market.

60. Members would be informed of the upcoming transfer ahead of time by providers, and would be given a chance to make an active choice to stay in their current fund or choose another fund. If no decision was made, the member would be transferred.

61. We considered an option to transfer members from providers with more members to providers with fewer or no providers, regardless of whether the providers are reappointed or not. That option is similar to a recommendation from the Capital Markets 2029 Taskforce to reallocate members from providers that are not successful at member engagement to new default providers.

62. We have not adopted that option because it would result in greater disruption and confusion for members, would increase disruption for markets, and would be costly for Inland Revenue and providers. In addition, if providers expect members to be

reallocated every seven years, they may have lower incentives to invest in building long-term relationships with their default members.

Member engagement requirements

63. No fund will be right for everyone. Member engagement requirements are aimed at giving members the help they need to choose the right fund and contribution rate, and to keep contributing.

64. We propose that compulsory member engagement requirements be part of the terms and conditions on which default providers are appointed. These would be set ahead of the procurement process. At a high level, the requirements would be targeted at achieving a level of active member engagement and would include helping default members with the following:

    64.1. understanding the importance of being in KiwiSaver;

    64.2. choosing a contribution rate (including contributing enough to get the government contribution); and

    64.3. choosing the right fund for the member's circumstances.

65. Targeted member engagement requirements would also be included in relation to older default members, to encourage them to make active choices about their fund choice and retirement.

Capital markets

66. Following feedback from the consultation process, we do not recommend imposing set obligations on all default providers to use the default funds to actively support the development of New Zealand's capital markets.

67. However, we propose to use the procurement process to encourage providers to come up with initiatives to support the development of New Zealand's capital markets. The Treasury believes there would be value in asking providers how they could help develop New Zealand's capital markets.

68. Our approach is consistent with recommendations from the Capital Markets 2029 Taskforce, which did not support imposing a capital markets mandate on providers of default funds.

69. We are of the view that it may be worth exploring how the KiwiSaver regime more generally could support the development of New Zealand's capital markets, but we consider that this question should be considered in relation to the KiwiSaver regime more broadly and not specifically in relation to default funds.

Interaction with Review of Retirement Income Policy

70. The recommendations from the Retirement Commissioner's Review of Retirement Income Policy are expected next month. The government will then consider the recommendations.

71. We have informed the Commission for Financial Capability (CFFC) of the proposals in this paper and the submissions received as part of the KiwiSaver Default Provider Review.

Process and next steps

72. After taking into account Cabinet feedback as appropriate, the proposals described in this paper will be used as a basis for the procurement process for appointing new default providers.

73. We intend to continue working on the more detailed design choices for default funds, using the criteria described in paragraph 10 to make those decisions. These design choices will form part of the Request for Proposals document, which we will approve ahead of the procurement process. That process is expected to commence in the first half of 2020.

74. The kinds of decisions we will need to make are:

    74.1. Setting the allowable range of growth assets within the broad balanced mandate.

    74.2. Approving the form and content of the member engagement requirements and other service levels.

    74.3. Deciding on transitional arrangements (for example, the allocation method for transfers, staggering the shift to a balanced mandate, staggering the transfer of members).

75. New providers will be appointed in late 2020. Their term of appointment will start on 1 July 2021. This allows six months for providers and government agencies to prepare for the change.

Consultation

76. Inland Revenue, the FMA, and CFFC have been consulted. There is general support from those agencies for the proposals.

77. The Department of the Prime Minister and Cabinet has been consulted.

78. This paper has also been informed by submissions received in the public consultation process, including from individual consumers, consumer advocacy groups, KiwiSaver default and non-default KiwiSaver providers, industry associations, and other financial and professional service providers.

79. As set out in Annex 1, there were mixed views about some of the proposals. Stakeholders are most likely to be interested in the fees, transfers and responsible investment proposals. However, officials have engaged with stakeholders throughout the consultation process, so most of the preferred options are not likely to be surprising to them. Officials will continue to engage with stakeholders in the lead-up to the procurement process, including by directly contacting stakeholders that made submissions on the discussion paper.

Financial Implications

80. There are no financial implications of the proposals.

Legislative Implications

81. The KiwiSaver Act provides for regulations to be made requiring that default members be reallocated and transferred to another default KiwiSaver scheme. Without those regulations, there is no mechanism to implement the transfer proposals.

82. Accordingly, regulations may be required to implement the proposal to reallocate members to new default providers. No regulations will be required if all of the current providers of default funds are reappointed for the term starting 1 July 2021.

Impact Analysis

83. The impact analysis requirements apply because the transfer proposals involve the potential introduction of regulations.

84. MBIE's Regulatory Impact Analysis Review Panel has reviewed the attached Regulatory Impact Summary prepared by MBIE and the Treasury. The Panel considers that the information and analysis summarised in the Regulatory Impact Summary meets the criteria necessary for Ministers to make informed decisions on the proposals in this paper.

Human Rights

85. None of the proposals are in any way inconsistent with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Gender Implications

86. There are no gender implications of the proposals.

Disability Perspective

87. There are no disability implications of the proposals.

Publicity

88. We intend to issue a press release about the high-level settings for the default funds, following Cabinet consideration of this paper.

Proactive Release

89. This paper will be published on MBIE's and the Treasury's websites, subject to withholdings that are consistent with the Official Information Act 1982.

Recommendations

The Minister of Finance and the Minister of Commerce and Consumer Affairs recommend that the Committee:

1. **note** that on 31 July 2019, the Cabinet Economic Development Committee agreed to the release of the discussion paper, *Review of KiwiSaver Default Provider Arrangements Discussion Paper* [reference DEV-19-SUB-0200];

2. **provide** feedback on the following proposals for the settings for KiwiSaver default funds from 1 July 2021:

   2.1. to change the investment mandate from conservative to balanced;

   2.2. to have a two-stage assessment process for tenders in which providers are required to submit their proposals (excluding fees) separately from their fee proposals;

   2.3. to limit default fees to a single percentage-based fee and a single annual or monthly fee, and prohibit providers from charging fees that consumers would not be able to translate to a percentage or dollar amount, with certain exceptions;

   2.4. not to seek an unlimited number of default providers or a drastically reduced number of providers;

   2.5. to require default providers to exclude illegal weapons and fossil fuel production from default funds;

   2.6. to require that default providers maintain a responsible investment policy, commit to assessing environmental, social and governance issues in making investment decisions, and report to the Financial Markets Authority regularly on their progress against their commitments;

   2.7. to require providers to disclose, on their websites, their responsible investment practices, including exclusions, a description of the provider's environmental, social and governance policy, and any certifications the provider holds;

   2.8. to allow reappointed providers to retain their default members, and transfer the default members of any providers who are not reappointed (after those members have been given an opportunity to make an active choice of fund);

   2.9. not to transfer default members that have actively chosen to stay in that fund;

   2.10. to include member engagement requirements as part of the terms and conditions for default providers; and

   2.11. to use the procurement process to encourage providers to come up with initiatives to support New Zealand's capital markets;

3. **invite** the Minister of Finance and the Minister of Commerce and Consumer Affairs to issue drafting instructions to Parliamentary Counsel Office to give effect to

recommendations 2.8 and 2.9, if one or more of the current providers of default funds are not reappointed.

4. **note** that, if feasible and consistent with the KiwiSaver Act, the allocation of members transferred in accordance with recommendations 2.8 and 2.9 would be carried out such that appointed providers with fewer or no default members would receive a greater proportion of transferred members.

5. **note** that, in considering and approving the procurement documents for new default providers, and in issuing drafting instructions, the Minister of Finance and the Minister of Commerce and Consumer Affairs intend to make further decisions consistent with the above recommendations, without seeking further feedback from Cabinet.

Authorised for lodgement

Hon Grant Robertson

Minister of Finance

Hon Kris Faafoi

Minister of Commerce and Consumer Affairs

Annex 1: Summary of submitter views

Issue/proposal	Submitter views
Choice of investment mandate	Most submitters supported either a balanced or a life-stages option. Consumers, KiwiSaver providers, and other submitters were split across the two options. There was limited support for a growth or conservative option. Many submitters thought that a conservative investment mandate would result in a sub-optimal financial position for default members at retirement.
Fees options	A number of submitters supported using the procurement process to achieve fee outcomes. However, the Financial Services Council (the industry peak body) thought that using the procurement process to put pressure on fees would lead to cross-subsidisation for other KiwiSaver members. Consumers and consumer groups generally supported having lower fees for people with low balances, and also tended to support the option to have the government set default fees. Others (primarily KiwiSaver providers and other financial service providers) disagreed. We did not directly consult on limiting fees to a percentage based and annual fees. However, a number of submitters thought that it was important for fees to be simple and transparent.
Number of providers	This issue was mainly of interest to KiwiSaver providers. There were mixed views in relation to both decreasing the number of providers and having an increased/unlimited number of providers.
Responsible investment	Most consumer submitters supported responsible investment for default funds. Many supported sector exclusions, particularly for fossil fuels. Other submitters (mainly KiwiSaver providers and other financial service providers) did not support responsible investment options. In particular, they thought that mandatory exclusions would be subjective, that default funds are already meeting consumer expectations, and that members already had choices to the switch to a more responsible fund.
Transfer of members	The Financial Services Council, Consumer NZ and a number of other submitters supported the proposed option. Submitters generally did not support proposals to transfer members away from reappointed providers.
Member engagement	Submitters were generally accepting of member engagement requirements.
Capital markets requirements	Submitters generally did not support using default funds to support New Zealand's capital markets. They said that doing so would not be consistent with the purpose of KiwiSaver and default funds, could distort financial markets, and that managers have a fiduciary duty to invest members' funds in accordance with their best interests. Others said that a shift to a more growth focussed investment mandate (e.g. balanced) would naturally increase investment in alternatives over time.