



**National Council of  
Women of New Zealand**

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**Submission to the Social Services Select Committee on the  
New Zealand Superannuation Amendment Bill**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 41 nationally organised societies. It has 33 branches throughout the country attended by representatives of those societies and some 150 other societies. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action. Standing Committees prepare submissions on specialist subjects; this submission has been written by the Convener of the Economics Standing Committee.

Over a decade ago NCWNZ passed a remit at their conference to "congratulate the political parties who negotiated an accord on retirement income policies and support the implementation of a non-partisan long term sustainable programme for the provision of a retirement income monitored and renewed periodically by a retirement commissioner."

In the light of the events which, as the explanatory note to the Bill states, "undermined the utility of the Retirement Income Act 1993" we appreciate the need to update the New Zealand Superannuation Act (2001).

**SPECIFIC COMMENTS**

**Part 1 Preliminary Provisions**

**Clause 3 Purpose:** (b) We have some concern that the Word 'alter' could be interpreted as 'restrict' under certain circumstances - e.g. secrecy over sources of advice.

**Part 4 "Retirement Commissioner**

**Clause 83 Appointment of Commissioner:** (2) - reference to 'the Minister's opinion' invites the question as to who provides the names of the prospective appointees and who advises the Minister as to their suitability. We have observed the way the Retirement Commissioners under the last National Government seemed to work closely with the savings industry, disseminating printed material which reflected private superannuation policy. For example, there was much emphasis on the message that the ageing population would outgrow the ability of the workforce to sustain their welfare - in spite of the fact that income tax is but one part of government revenue and in spite of evidence from esteemed economists as

Paul van Moeseke (formerly Professor of Economics, Massey University) and Len Bayliss (once economist to the Bank of New Zealand, among other posts). We urge the Minister to ensure that future appointees to the position of Retirement Commissioner be independent of commercial or political lobbying, and that the assumptions underpinning any decisions or advice be clearly identified.





**Clause 93 - Functions** - As already intimated, NCWNZ is concerned that educational material does not exploit public ignorance ( or innocence) as to retirement issues. By way of example we cite the Resource Kit supplied for The Super 2000 Taskforce Schools' Competition (sponsored by Armstrong Jones). In this very substantial document, unsubstantiated 'facts' were given as evidence for promoting private savings - and so soon after the huge investment losses in Asia. By way of contrast, the findings of the Tax Review 2001 (Final Report) included the unequivocal statement by Robert McLead et al.: "On examining the available evidence and the reasons why people save, it is not clear to us that New Zealanders save too little ... We therefore take the view that against the backdrop of universal provision for New Zealand Superannuation, most New Zealanders would not be served well by being induced or compelled to make additional retirement provision at the expense of living standards during their working lives."

It could be claimed that the New Zealand Superannuation Fund established by Part II of the 2001 Act is a form of compulsory savings "at the expense of the living standards" jeopardised by the inadequacy of public health facilities and the rising cost of energy for those who have paid income and expenditure taxes all their lives, only to find massive tranches of those taxes going off-shore.

**Clause 94 Capacity and powers** - Our comments on Clause 93 suggest that we see the Commissioner who can "do anything that a natural person of full age and capacity", is able to expose flaws in the arguments for and against both private and government schemes.

**Clauses 95 Discretion in relation to performance and exercise of functions and powers &**

**Clause 96 Duties** - We welcome the assurances about the freedom of the Commissioner to comment and report on "any" retirement issues.

**Clause 97 Duty not to disclose information** - This clause appears to be at variance with Clauses 95 & 96. If the Commissioner has information which ought to be disclosed in the public interest, he/she should be able to rely on the Minister to consult with both Cabinet and the House so that our elected representatives can act - even when such information reveals errors in the Government's own investment portfolios.

**Clause 99 When officeholder may rely on certain information and advice** - The phrase 'professional or expert advice' applies far too often to Savings Industry personnel or to Treasury officials, briefed to adhere to 'best practice' policies known to put dollar values ahead of ethical or environmental considerations. The make-up of the Periodic Report Group (PRG) (see the Retirement Report, December 2003) failed to include people from a more representative selection. - Some of the graphs and statements in this Report indicated very careless analysis of the facts, and yet government policy was based on this report. [These comments also apply to Schedule 6 (27)].

Our submission on the New Zealand Superannuation Amendment Bill is both supportive and critical. The public is fortunate to have such opportunities to voice its opinions. As an organisation with a proud history of upholding and pioneering democratic rights we once again express our thanks for inviting comment on this Bill.

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