

NZDF Experience – Yes (however role is changing)

- Personnel statistics (14,700: 9,940 in super; 6,900 in house)
- Historical involvement in superannuation
- Impact of Past Legacy (8 schemes; 10 rates)
- Impact of NZDF Culture (Historically paternalistic)
- Retirement savings are not a recruitment and retention factor
- Forced a change to our remuneration model
- Recent past (market fluctuations)
- Commitment to Govt policy (Long-term savings)

Role changing from Paternalism to Empowerment

Changes within the NZDF

- Moved to market aligned remuneration, with premium for service
- Increased workforce mobility (portability of super)
- Adoption of KiwiSaver as the vehicle of NZDF future superannuation
- Two in-house schemes closed
- Enhanced financial planning training
- Employer contribution rate fixed at 4%
- Establishment of internal complying superannuation fund
- Principle of choice
- Enhanced cooperation with Retirement Commission

Lesson Learnt Compulsory Enrolment

- NZDF obtained Exempt Employer Status July 2008
Invested in financial planning and education
- Post 1 July 08 <50% of new starts enrolled in KS
- Compulsory enrolment reinstated July 2009

NZDF Future Strategy

- Transition from paternalism to empowerment
- Stabilise and Simplify Superannuation as part of Remuneration
- Introduction of market aligned remuneration
- Remuneration transparency
- Retirement Savings compulsory for all new starts
- Empowerment of individuals through ongoing education and training
- Provision of neutral advice on financial planning and workforce retirement savings

Role changing from Paternalism to Empowerment

External Providers NZDF's Changing Expectations

Current

- Expert advice on investment strategy
- Investment strategy flexibility and responsiveness
- Cost effective administrative services
- High quality member customer service
- Financial planning acumen

Future; Plus

- Range of products or interventions (Internal or external)
- High quality independent financial planning advice
- Expert advice on investment strategy
- Investment strategy flexibility