

Media Release

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KiwiSaver engagement “vital”

Effective engagement with all KiwiSaver stakeholders in the face of further regulatory change is vital to the ongoing success of the scheme.

That’s according to Workplace Savings NZ, the voice of workplace savings.

Commerce Minister Simon Power last week announced changes that will ensure fund managers and trustees of retail KiwiSaver products have clearer duties and obligations to investors.

Under the new regime, fund managers will have to provide the public with regular updates on their investment performance, fees and asset allocation.

A new super regulator, the Financial Markets Authority, will monitor trustees and trustees will be responsible for supervising managers and making sure they comply with trust deeds and their other responsibilities.

Executive Director of Workplace Savings NZ, Bruce Kerr, says regulation that will enhance KiwiSaver is welcomed.

“We support the concept of having a ‘Super Regulator’ provided the regulatory model rolled out is not ‘one size fits all.’

“The areas being brought together under the Financial Markets Authority currently each perform valuable specialist roles.

“It would be appropriate for those specialties to come together under an FMA umbrella; however, a framework is needed where all the elements are properly tailored, resourced and funded.

“We also applaud the move to better governance arrangements, transparency of fees and investing cost, and improved disclosure of investment performance.

“But we do not support regulation that simply adds compliance costs for no member value.

“KiwiSaver providers would be better spending money on product and investment enhancements, rather than compliance managers.

“The biggest risk KiwiSaver faces is over-zealous regulation that is rolled out without adequate and effective engagement with all stakeholders, to ensure those changes are optimal,” says Mr Kerr.

The Government has promised to consult with the industry before specifying exactly what would need to be disclosed.

Mr Kerr says Workplace Savings NZ looks forward to working with the Government during the process of change.

For further information:

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