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Untapped potential for saving at work

Retirement Commissioner Diana Crossan says that the report of the Periodic Report Group (PRG) released today, has key messages for the financial services sector and employers, particularly in the areas of providing quality financial advice and promoting workplace savings.

The Report makes the recommendation that the financial services sector should develop an agreed approach to self-regulation of financial advisers and report to Government with a proposal by the end of 2004.

"It is high time that the industry take this recommendation to heart," says the Retirement Commissioner. "The need for some action in this area has been talked about for 20 years, and it's now time to do something about it. Perhaps an independent person is needed to facilitate this process."

"It is essential that New Zealanders have access to high quality financial advice and that they can trust the advisers they consult. Establishing a transparent approach to self-regulation that helps to raise standards and grow public confidence is essential if people are to be fully supported in making well-informed financial decisions," says Ms Crossan.

The Retirement Commissioner says the PRG Report also focuses on workplace savings and the untapped potential for initiatives in this area.

"The perception out there is that establishing workplace savings schemes is both difficult and costly. Some employers still believe the product range is very limiting, but this is no longer the case," says Ms Crossan.

"The superannuation products of yesteryear can be avoided and replaced with new, more flexible product options which better meet changing needs. These combined with new pay roll systems technology can mean providing staff with access to workplace schemes is a great deal easier than it used to be.

"I hear employers saying that they want to help their staff, and financial services sector people saying that the good products are out there. So there are obviously opportunities here that need to be grasped. Growing numbers of well-structured workplace savings initiatives would mean that many more New Zealanders can save very efficiently, directly through their pay packets," says Ms Crossan.

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Media Release

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