

**Launch of Women in Super (NZ) Inc.
Wednesday 4 April, 2001**

Speech by Angela Foulkes

It is a pleasure to speak to you tonight and to launch this new organisation.

The objectives of the group are laudable, but familiar.

To explain why I feel a familiarity I will go back to 1983 when I had recently become involved in superannuation issues for women.

I was a banker at that time. Not a particularly senior one, but I had company. In 1983 no women had ever become a bank manager in NZ. The union was campaigning for change, but was also encouraging women to network to improve their opportunities.

On a recent trip to Australia I had been informed that research showed only 3% of women recouped their savings in bank retirement schemes (an experience I was to replicate a few years later).

In New Zealand there were promises and counter promises, all subsequently broken, about the future of New Zealand Superannuation?

So the issues were
Progressing Women in the industry
Improving super products for women
The future of National Superannuation

This feels remarkably like the objectives our new group are going to pursue.

I was pretty concerned about those issues then, and that was before the reality of retirement for many women became clear to me.

To explain my point I checked my own circumstances yesterday.

I can expect to be in retirement for 18 years (if I retire at the standard 65), and can expect to be living alone for 11 years of that retirement.

Yesterday superannuation payments increased to \$360.82 a week for a couple. No newspaper mentioned that someone living alone would receive sixty five per cent of that amount (\$234.53)

Of those living alone in retirement 75% are women, most of those will be at least 75 years young, and many will be frail.

I have been luckier than many in my employment over the years, but it is likely (because it is such a consistent figure) that I will earn 15% less throughout my life than a man following a similar career path). A figure that leads me to hope that Women in Super in New Zealand will not promote compulsory super. Any policy that

sees women taking their employment disadvantage so completely into retirement isn't credible.

Retirement policy is very much a women's issue, and retirement planning something they need to take very seriously.

Yet the industry, and employers, and government are still grappling with seeing the world through women's eyes.

Superannuation savings are not user friendly.

The fee structure can still be high.

Costs for inactive accounts heavy

The savings information provided to savers difficult to follow, and often out of date

The targets proposed in publicity material often unrealistic for lower paid women

The implicit encouragement to close accounts during periods out of the workforce is high

The contact to encourage reactivating accounts non-existent in some companies.

There seems to be no encouragement to lock in savings.

Employers have not focused on devising relevant schemes

There are still vesting periods that discriminate women's work patterns

There are still access barriers in the early years of employment.

Few companies have developed policies that bring together student loan/mortgage/ and retirement savings packages.

The rhetoric of 'total remuneration' has been spouted for so long that there is no industry organisation actively promoting the positive benefits of employer schemes

Finally Government

No progress has been made on reducing compliance costs to employers who provide superannuation schemes

They are not leading by example with their own employees.

They have not focused on the full range of needs of women in retirement

They have, like their predecessors, gone straight to an answer and defied New Zealand not to follow.

I personally do not support the New Zealand Superannuation Fund, but that doesn't mean it's wrong. I might be able to be convinced, but that doesn't appear to be priority for the government. I am aware that the idea has some appeal to the population, saving is what we have been told to do; so perhaps the government should also save. But we are also told to assess our future needs against our current needs.

The reason I don't support the scheme is that I do not believe that it guarantees what it purports to guarantee, and I don't know why the guarantees were chosen.

The policy development path I support would have firstly found out how current retirees are coping,

would look at the triggers for poverty in old age,
would have put health spending and care in the mix,
would have looked at the demographics and questioned the achievability of funding
18 years in retirement, and indeed the effect of that retirement age on the workforce.

These are some issues that I would recommend to women in super as top priorities

- Advocate for employment-based schemes that reflect people's life cycles, including parenthood and job changes.
- Explain the difference that modest amounts of savings can make to quality of life.
- Accept that most of us won't focus on this issue until the costs of skin care and weight control start to rise in our 30's and 40's and develop approaches that work for us
- Support women onto superannuation trusts, company boards and into advocacy roles in our community.
- Require policy makers to start with women's life styles when they plan for the future
- Be visible and keep talking about this and other issues.

Undoubtedly the fact that we have a remarkable range of women in leadership positions in this country has blurred the reality that on many issues progress has not been made. I understand that before this first meeting some of your colleagues are muttering about "Men in Super" being required. Keep them running scared. In recent years we have let our modest successes distract us from the fact that there are still many miles in the equality marathon to go.

Continually promoting change wherever we are placed in the community is the only road to follow.