

5 September 2011

Investment Law Team
Competition, Trade and Investment Branch,
Ministry of Economic Development,
PO Box 1473,
Wellington

Dear Team

The submission, accompanying this letter, on the draft Financial Markets Conduct Bill, is made on behalf of the Board of Management (BOM) of the Bank of New Zealand Officers' Provident Association (OPA). As per your request it has been prepared with a focus on 'technical' aspects of the draft Bill.

The OPA is one of the largest and oldest employer based superannuation schemes in New Zealand. It has over \$200m of assets, around 2850 members plus around 150 pensioners, and this year the BOM will present the 124th Annual Report to members.

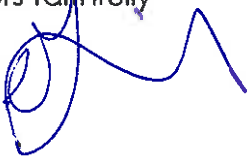
The OPA has a number of features that distinguish it from other work place savings schemes. It does not have trustees or a trust deed. The BOM acts in a role equivalent to trustees. The OPA is established and governed by a private Act of Parliament and Rules made in accordance with that Act, not a trust deed.

The scheme is well supported by both the employer, Bank of New Zealand, and the staff of the Bank. On a completely voluntary basis about 65% of eligible Bank staff are members of the scheme. The Bank reaffirmed the scheme with a preferred supplier status earlier this year after a review of employee benefits and surveys of members and the marketplace. That is seen as a demonstration that employer based schemes still have an important role and value within the retirement savings market place.

We appreciate the attempt made by the Bill to recognise the special nature of workplace savings schemes by conferring them with "restricted scheme" status. However, there a number of features of the OPA which need to be recognised by the Bill in order for the OPA to qualify as a restricted scheme. These are covered by our submission. Our submission also covers a number of aspects that apply to the treatment of restricted schemes generally.

Should you wish to discuss aspects of the submission, the Board of Management or delegated representatives, would be happy to meet with you.

Yours faithfully



Hugh Smith
Elected Board of Management Member,
On behalf of the Board of Management