

**Treasury Report:** Statement required by section 73 of the New Zealand Superannuation and Retirement Income Act 2001

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<b>Date:</b>	7 May 2010	<b>Report No:</b>	T2010/788
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**Action Sought**

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	<b>Action Sought</b>	<b>Deadline</b>
Minister of Finance (Hon Bill English)	<b>Note</b> the contents of this report <b>Refer</b> a copy of this report to the Leader of the House, the Minister for Social Development and Employment, and the Minister of Revenue	7 May 2010

**Contact for Telephone Discussion (if required)**

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<b>Name</b>	<b>Position</b>	<b>Telephone</b>		<b>1st Contact</b>
[deleted - privacy]	Analyst, Tax Strategy	[deleted - privacy]	[deleted - privacy]	✓
Steve Mack	Principal Advisor, Tax Strategy	[deleted - privacy]		

**Minister of Finance's Office Actions (if required)**

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Refer a copy of this report to the Leader of the House, the Minister for Social Development and Employment, and the Minister of Revenue
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**Enclosure:** Yes (attached)

## **Treasury Report:** Statement required by section 73 of the New Zealand Superannuation and Retirement Income Act 2001

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### Purpose of Report

1. Section 73 of the New Zealand Superannuation and Retirement Income Act 2001 (the Act) requires the Minister of Finance to bring to the attention of the House the consultation that has been undertaken on a Government Bill that proposes amendment to the Act.
2. The Taxation (Budget Measures) Bill will amend section 15 of the Act. A copy of the draft statement on consultation on these changes is attached to this report for your consideration.

### Analysis

3. Section 73 of the Act states:
  - (1) The Minister must, on the introduction into the House of Representatives of a Government Bill that proposes an amendment to this Act, bring to the attention of the House the consultation process that was followed in the formulation of the proposed amendment.
  - (2) That statement must include (without limitation)—
    - (a) whether consultation has taken place with the parties that are in agreement with the Part proposed to be amended (as listed in Schedule 4):
    - (b) whether consultation has taken place with the Guardians (to the extent that the amendment relates to Part 2):
    - (c) the results of the consultation.
4. The parties that are listed in Schedule 4 of the Act are the Green Party, New Zealand Labour Party, New Zealand National Party, Progressive Coalition Party, and United Future New Zealand.
5. The Taxation (Budget Measures) Bill will amend section 15 of the Act to exclude tobacco products from the CPI measures used to index New Zealand Superannuation payments in 2011, 2012, and 2013. We understand that consultation on this amendment has been undertaken with United Future New Zealand, and that it has indicated that it will support the Bill. We understand that consultation has not been undertaken with the Green Party, the New Zealand Labour Party, or the Progressive Coalition Party.
6. The Office of the Clerk has advised that to meet the requirements in section 73 of the Act, a statement outlining the consultation undertaken should be included in the explanatory note of the Bill. In addition to this, the statement needs to be signed by the Minister and presented to the Bills Office before introduction of the Bill. A draft of this statement is attached for your consideration and signature.

7. The Office of the Clerk has been consulted on the process required to meet the section 73 requirements. Inland Revenue and the Ministry of Social Development have been consulted on this report and on the wording of the attached statement.

## Recommended Action

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8. We recommend that you:
- a **sign** the attached statement detailing the consultation undertaken in respect of the amendment to section 15 of the New Zealand Superannuation and Retirement Income Act 2001;
  - b **note** that the signed statement needs to be delivered to the Bills Office before the introduction of the legislation, with the timing of the delivery to be arranged between your office and the Bills Office;
  - c **agree** to the inclusion of this statement in the explanatory note for the Taxation (Budget Measures) Bill; and
  - d **refer** a copy of this report to the Leader of the House, the Minister for Social Development and Employment, and the Minister of Revenue.

*Agree/disagree.*

*Referred/Not referred*

Steve Mack  
**Principal Advisor, Tax Strategy  
for Secretary to the Treasury**

Hon Bill English  
**Minister of Finance**