



Rt Hon John Key
Prime Minister of New Zealand
Parliament Buildings
WELLINGTON

12 April 2010

New Zealand Superannuation

As you know, Grey Power and Age Concern are national organisations concerned about the needs and wellbeing of older people.

We think it unacceptable for older people in their latter years to be living in financial hardship and poverty. They are not in any position to improve their living circumstances and are most susceptible to life shocks impacting on their wellbeing. We are aware there are other groups within society in dire need too and that it would be easy to pit one group against another. This would be destructive. We are of the view that no New Zealander should be living in abject poverty.

Most New Zealanders aged over 65 currently have New Zealand Superannuation (NZS) as their main source of income and for many it is their only source of income. Where NZS is an older person's only source of income, they struggle to meet basic living costs (rates, electricity, food, non-food materials, telephone, health costs) on the current level of NZS.

Given that NZS aims to ensure older people don't live their retirement years in poverty, it is important to know what their basic living expenses are and whether NZS covers these. Two studies on the inadequacy of the current level of NZS have been produced by John Logan. They show the current level of NZS to be insufficient to cover the most basic living costs. (See enclosed.)

Age Concern and Grey Power consider NZS should meet these basic costs and ask that you:

- 1 Increase the NZS to the maximum allowed under the Act;
- 2 Direct MSD to check the adequacy of the level of NZS using *basic budgets* and the *minimum wage*;
- 3 Adjust the level of NZS in April and October each year, using price increases of relevant goods and services rather than the more general CPI.

We look forward to your response.

Yours sincerely,

Liz Baxendine QSO
President
Age Concern New Zealand

Les Howard
President
Grey Power