



New Zealand House of Representatives
Te Whare Māngai o Aotearoa

Finance and Expenditure Committee

Komiti Whiriwhiri Take Pūtea, Take Whakpaunga Pūtea

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**2024/25 Annual review of the Guardians
of New Zealand Superannuation**

Presented to the House of Representatives
by Cameron Brewer, Chairperson

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Guardians of New Zealand Superannuation

Recommendation

The Finance and Expenditure Committee has conducted the annual review of the Guardians of New Zealand Superannuation for 2024/25, and recommends that the House take note of its report.

About the Guardians of New Zealand Superannuation

The Guardians of New Zealand Superannuation is an autonomous Crown entity that invests government contributions to the New Zealand Superannuation Fund, to grow their value. The fund is an investment portfolio of global investments and holds a mix of public and private assets. It is intended to be used to help pay for the cost of New Zealand Superannuation, the government pension paid to New Zealanders aged 65 and over. The Guardians are also responsible for the governance and oversight of the Elevate NZ Venture Fund (Elevate), which is managed by New Zealand Growth Capital Partners.

At present, universal superannuation is funded through taxpayers. The New Zealand Superannuation Fund was created in 2001 as a way to save towards future superannuation payments despite the growing pressure from an ageing population. Demographic trends show that, each year, the proportion of New Zealanders who are over 65 increases, and the proportion of taxpayers decreases. The Government expects to make its first withdrawal from the fund to help meet the cost of superannuation in 2028.

We met with the board chair, John Williamson, and the chief executive officer, Jo Townsend, to discuss the Guardians' performance in 2024/25. Both the chair and the chief executive have held their positions since early 2024.

Summary of 2024/25 performance and audit results

The Guardians were allocated \$728,000 of Crown funding in 2024/25, of which only \$667,392 was spent, due to a less-than-full complement of Board members. Crown funding comes from an appropriation to meet the Guardians' board costs and audit fees, and capital contributions to the fund.

All other costs are met by the fund. The total cost of managing the fund as a percentage of average net assets was 0.26 percent in 2024/25, compared to 0.37 percent in 2023/24. Costs included employee-related costs (\$75.4 million), manager fees (\$58.0 million), investment-related costs (\$38.8 million), performance fees (\$7.4 million), and other costs (\$26 million).¹

¹ See [Annual Report 2025 | Guardians of New Zealand Superannuation](#), pp 109–110 for more detail.

Audit results

The Auditor-General issued a standard audit report for the Guardians, indicating satisfaction with the accuracy of the information audited. The Guardians' management control environment, financial information systems and controls, and performance information and associated systems and controls were all rated "very good".

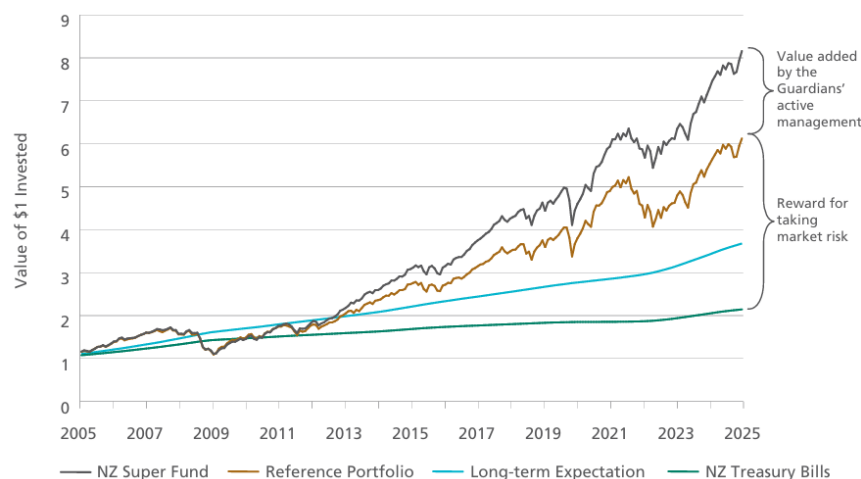
Performance of the New Zealand Superannuation Fund

The fund has been named as the world's top performing sovereign wealth fund over the last 10 and 20 years.² The total value of the fund increased by \$8.4 billion during the 2024/25 financial year, to \$85.1 billion. Since inception, the fund has contributed \$11.1 billion in tax, making it one of the largest taxpayers in the country.³

The Guardians assess how well the fund is performing by measuring its return compared to the returns on two benchmarks: Treasury bills and a reference portfolio. They also have a long-term performance expectation: the fund is expected to return at least 7.8 percent per annum over any 20-year average time frame.

The fund's actual returns for 2024/25, after costs and before tax, were 11.8 percent. This is 7.2 percent over the Treasury bill return of 4.6 percent, which is an approximation of the Government's cost of borrowing.⁴ The Guardians also compare the fund's performance against a passive reference portfolio to assess how effective their active investment strategies have been. The reference portfolio return for 2024/25 was 10.9 percent. This corresponds to \$745 million more earned by the fund compared to the reference portfolio.

Performance of the NZ Super Fund, its benchmarks, and long-term expectation⁵



² The fund was awarded this ranking by the GlobalSWF, who analyse sovereign wealth funds and public pension funds. [Guardians tops global rankings | Guardians of New Zealand Superannuation; NZ Super Fund named world's best over past 20 years | Guardians of New Zealand Superannuation.](#)

³ Tax paid is treated as a return to the Crown.

⁴ Treasury bills are wholesale, fixed-term debt securities issued by the Crown. The return on Treasury bills is a measure of the cost of Government debt-servicing. The Guardians compare the fund's returns against the return on Treasury bills to gauge whether government borrowing to contribute to the fund has been worthwhile.

⁵ [Annual Report 2025 | Guardians of New Zealand Superannuation](#), p 43.

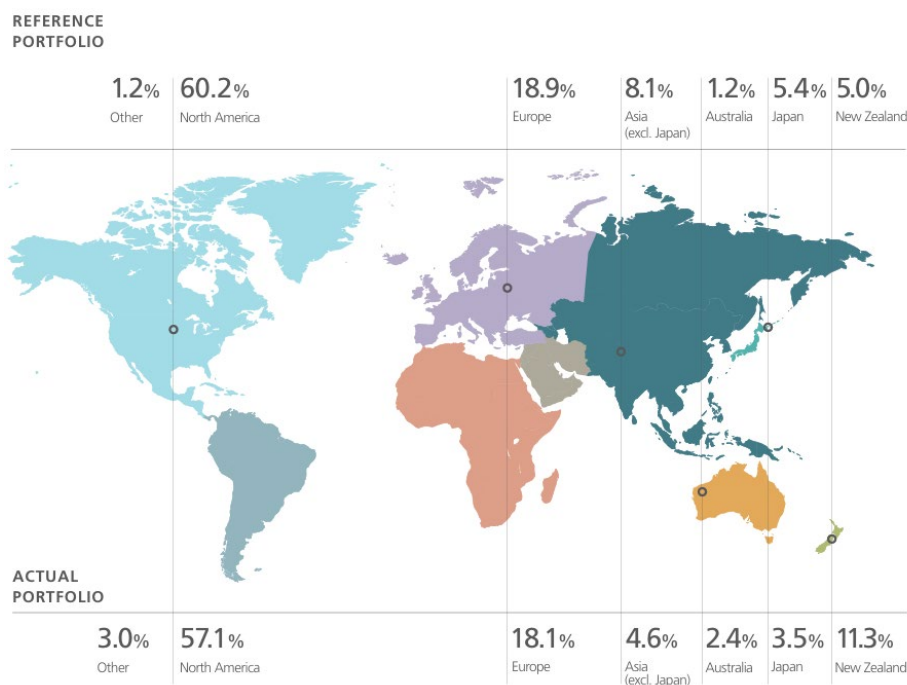
The Guardians told us that even though the fund is performing well, they are not “sitting on [their] laurels.” Rather, the Guardians are committed to “constantly improving and taking steps to ensure we are well set up to manage a much bigger fund.” We noted that the Treasury has forecast that the fund’s value will increase to more than \$150 billion within 10 years. The Guardians said that they have historically performed more strongly than most estimates, but they are conscious that performance could also be less strong than forecast. They said that much of the forecast growth assumes that global equities will grow at around 6–6.8 percent per annum.

We also discussed the Guardians’ approach to divestment. They told us that it is “extremely important” that they always have an exit strategy for any investment. They said they assess each investment opportunity based on its expected returns versus the risk, as well as its alignment with the Guardians’ stated environmental, social, and governance considerations.⁶ The New Zealand Superannuation and Retirement Income Act 2001 also requires the Guardians to manage the fund by maximising returns without undue risk to the fund.

Investing in New Zealand

As at the end of the 2024/25 financial year, 11.3 percent of the fund (\$9.6 billion) was invested in New Zealand. The Guardians said they are “always open to increasing our investments in New Zealand” but that they do not have a set target amount for how much is invested here.

Locations where the fund is invested, compared to the reference portfolio⁷



We discussed some examples of the fund’s investments in New Zealand. Through the Taranaki Offshore Partnership, a joint venture between the fund and Copenhagen

⁶ [Integration | NZ Super Fund.](#)

⁷ [Annual Report 2025 | Guardians of New Zealand Superannuation, p 53.](#)

Infrastructure Partners, the Guardians are undertaking feasibility studies on a \$5 billion offshore wind farm. We heard that regulatory frameworks need to be introduced or updated for the project to progress. They said this includes the Offshore Renewable Energy Bill, which is currently being considered by Parliament. We heard that, because of the “intermittent nature of wind”, the Guardians will also need to consider a pricing stability mechanism to provide the security needed to enable financing of the project.

Global trends and risks

We reflected on the current risks and trends in the global environment. The Guardians emphasised that they always take a “very long-term view of the world” in their investment strategies. The Guardians said that financial markets over the past 20 years could be characterised by “very low volatility, a lot of liquidity supplied by central banks, and the evolution of technology.” In contrast, they predict that the next 20 years will likely be characterised by high volatility, geopolitical tensions, and higher interest rates and inflation.

The Guardians cited the effects of AI on global productivity as a source of uncertainty at the moment. They categorised the effects of the emergence and increased access to AI technologies on the financial market into two phases. The first phase was a rise in stock prices for companies developing large language models, such as OpenAI’s ChatGPT. The second phase is the effects of companies experimenting with using AI tools to improve productivity and add value. The Guardians referred to commentary around the idea of an “AI bubble” and the risk of concentration in the US market, with top technology companies holding an unprecedented share of major stock indices.⁸ The Guardians shared an insight that they have “never seen a bubble burst when the world is talking about a bubble; they generally come when no one is expecting it.”

Climate change reporting and investment strategy

The Guardians are committed to achieving net zero portfolio emissions by 2050. We heard that the Guardians assess their own carbon footprint and the level of climate risk across their investments. In 2020, they set two emissions-reduction targets for 2025, relative to their reference portfolio benchmark. The Guardians reported that they significantly exceeded these targets. As at 30 June 2025, the fund’s emissions intensity was estimated to be 64.3 percent lower than the benchmark (compared to a goal of at least 40 percent below). The potential emissions from fossil fuel reserves held by the fund were reduced by 99.4 percent (against a target of at least 80 percent).

The Guardians have set new emissions-reduction targets to 2030 and will begin reporting progress against these from 2025/26 onwards. We heard that, through these targets, the Guardians aim to lower their exposure to climate-related risks, including risks related to resource availability; physical damage from such things as severe weather events; and changing policies or regulation. The Guardians also aim to increase their relative holdings of investments in companies that are better prepared to transition to a low-carbon economy. They commented that, as investors, they are interested in companies’ emissions and in

⁸ For example, [Could an AI bubble crash the stockmarket? | 1News](#), 15 September 2025.

modelling of different scenarios to understand how climate-related risks may be affected by different factors.

The Guardians have reported on their carbon footprint since 2017. They said that, globally, they have noticed an “unstoppable” trend in companies including climate reporting, and increasingly providing data on their emissions. They said that historically they had to make estimates to assess climate-related risks for some investments, but companies are often now supplying this data themselves. They said that this trend arose not just from companies wanting to manage their own climate-related risks and potential risks in transitioning to a low-carbon economy, but also from regulatory regimes being introduced for some markets.

Other matters considered

We also discussed the following matters. For more detail, refer to the pages noted below in the [*Hansard transcript of our hearing*](#), available on the Parliament website.

- **Elevate NZ Venture Fund**—We discussed the performance and objectives of the Elevate Fund. (*Transcript p 6.*)
- **Reference portfolio review**—We heard that the Guardians review their reference portfolio every five years. The review is currently in progress, and the Guardians expect it will conclude between April and June 2026. (*Transcript p 7.*)
- **Independent statutory review**—In 2024, the company Willis Towers Watson (WTW) completed an independent statutory review of the Guardians, rating them A (“good practice”) for sustainability ambition, commitment, and investment approach. We discussed what work the Guardians are doing to respond to the review’s recommendations. (*Transcript pp 8–9 and annual report pp 70 and 96.*)
- **Objectives of the fund**—We discussed how the objectives of the fund and requirements set out in the Superannuation and Retirement Income Act 2001 can influence what the Guardians invest in. (*Transcript p 9.*)
- **Simplifying organisational processes**—In its annual report, the Guardians identified having complex processes as an organisational risk. It is working to simplify its processes. (*Transcript pp 8 and 10–11 and annual report p 94.*)
- **Using AI**—We heard about the ways the Guardians are using AI in their own work. (*Transcript p 11.*)

Appendix

Committee procedure

We conducted a standard annual review of the Guardians of New Zealand Superannuation for the 2024/25 financial year. On 17 December 2025 we heard evidence from the Guardians for 43 minutes and received advice from the Office of the Auditor-General. We sent written questions to the Guardians for response. We met again on 25 March 2026 to finalise this report.

Committee members

Cameron Brewer (Chairperson)

Dan Bidois

Hon Barbara Edmonds

Ryan Hamilton

Francisco Hernandez (from 11 February 2026)

Nancy Lu

Hon Dr Deborah Russell

Todd Stephenson

Chlöe Swarbrick (until 11 February 2026)

Rawiri Waititi

Dr David Wilson

Hon Dr Megan Woods

Kahurangi Carter and Vanushi Walters also participated in our consideration.

Related resources

The following material is available on the Parliament website:

- [the Guardians' annual report](#)
- [the briefing paper we received from the Office of the Auditor-General](#)
- [responses from the Guardians to our written questions](#)
- [the *Hansard* transcript of our hearing](#)
- [a recording of our hearing](#).