

**PUBLIC SECTOR SUPERANNUATION  
(MISCELLANEOUS AMENDMENTS) BILL 2009**

**SECOND READING SPEECH**

Mr Speaker

The *Public Sector Superannuation (Miscellaneous Amendments) Bill 2009* contains a number of minor, but nonetheless important, amendments to the State's public sector superannuation and related legislation. The area of superannuation policy is one in which there are constant changes, so it is expected that there will be consequential changes to our superannuation arrangements on a regular basis.

Mr Speaker, the Bill also includes some amendments that will be of more beneficial significance to members. More specifically, the Government made a commitment that it would provide a Transition to Retirement option for defined benefit scheme members and these amendments give effect to that commitment. In addition, the amendments will also address a number of miscellaneous operational issues that have come to light and align certain superannuation provisions with relevant Commonwealth legislation.

Mr Speaker, I will for the benefit of members, provide a brief summary of the more important proposed amendments.

Firstly, it is necessary to amend the *Retirement Benefits Act 1993* to align the regulation making process for the Contributory Scheme regulations with the usual regulation making process prescribed in the *Acts Interpretation Act 1931*.

Mr Speaker, in its current form, Parliament is required to approve the regulations prior to their being made and commencement by notification in the *Gazette*. This is both an unnecessary and cumbersome process and applies only to the Retirement Benefits Regulations.

The current process can result in significant delays to the commencement of the regulations as a consequence of the requirement for the draft regulations to be tabled for 21 days without a motion to disallow being passed. As a result, in most cases this requires a positive motion to expedite the process.

Mr Speaker, when the *Retirement Benefits Act 1993* was introduced, the current RBF regulation process was to provide Parliamentary scrutiny to the making of the regulations. This was considered necessary because the Act received Royal Assent on 23 December 1993 and the regulations, that were to contain the major operative part of the scheme, were not approved by the Governor until 15 April 1994.

This process is no longer considered necessary as:

- the regulations are now in place;
- amendments to the regulations are mainly of an administrative nature;
- consultation currently occurs with the TTLC prior to any regulations being amended and provision for this process to continue is included in the Bill; and
- the regulation making process prescribed in the *Acts Interpretation Act 1931* continues to provide for Parliamentary scrutiny of the regulations.

Mr Speaker, on 1 July 2005 the Australian Government enacted the 'Transition to Retirement' legislation that provides a mechanism for older workers to access their superannuation entitlements without the requirement to cease employment. This option is currently only available to members of the RBF Tasmanian Accumulation Scheme.

In addition to providing an option to RBF Contributory Scheme members that is currently not available to them, the implementation of the Transition to Retirement option will:

- assist in reducing the impact of an ageing workforce;
- increase the capacity to retain workplace skills and knowledge;
- provide members with another opportunity to consider more flexible working arrangements as they approach retirement; and

- provide members with a potential means of increasing their ultimate retirement savings and/or superannuation benefits.

Mr Speaker, the Bill will also make a number of other amendments within the *Retirement Benefits Act 1993* and the *Retirement Benefits Regulations 2005* that will provide further benefits to members. These will also benefit members by:

- enabling amalgamated contributors who continue to work over the age of 65 to receive their benefit entitlements up to age 70. There is currently no provision for an amalgamated contributor to receive benefits over the age of 65;
- ensuring consistency with the Australian Government's *Superannuation Industry (Supervision) Regulations 1994* to allow members more than one release of preserved benefits per year on compassionate grounds, other than for reasons of mortgage foreclosure; and
- introducing a fit and proper person test for RBF Board members that will align with industry standards.

Mr Speaker, improvements to administrative efficiencies and reduction in costs to scheme members will also be achieved through these amendments.

The administration of all investment accounts will now be brought under the Tasmanian Accumulation Scheme Trust Deed. In practice, all Investment accounts are administered indivisibly and therefore it makes sense to consolidate their administration under the Trust Deed, especially as the Contributory Scheme is now a closed scheme.

Mr Speaker, no investment account holder will be adversely impacted by this administrative change as any existing rights and arrangements will be preserved. In addition, the new insurance product offering being developed for TAS members will now also be available to Investment account holders established under the Contributory Scheme.

Experience has shown that medical reviews conducted on RBF Contributory Scheme pensioners over their preservation age achieve little in determining if there is a change in the pensioner's eligibility status. The reviews can be stressful to older pensioners and are expensive for the Board to undertake. This Bill will provide that medical reviews will now only be required for those invalidity pensioners who are under their preservation age.

Mr Speaker, this Bill will help to reduce costs by providing that the appointment of a replacement Government representative board member is not limited to the balance of the retiring member's term. Due to the cost of holding elections, the existing arrangements for replacing elected board members will remain the same.

In addition, the regulations currently require the Board to recover all overdue contributions and payments. This Bill will enable the Board to determine the appropriate circumstances where it will not be required to collect the arrears on member's accounts, that is, in circumstances where it is not cost effective to do so.

Mr Speaker, the Bill also includes a number of minor amendments that will improve administrative efficiency by removing redundant provisions and generally provide improvements to the public sector superannuation legislative framework.

Mr Speaker, I commend this Bill to the House.