



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 19 October 2000

SUPERANNUATION AND OTHER LEGISLATION AMENDMENT BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (11.30 a.m.): I move—

"That the Bill be now read a second time."

The purpose of the Bill is to amend various State superannuation Acts to ensure that they comply with the Commonwealth Government's superannuation laws and to improve the current process used for the recovery of the employer portion of superannuation benefits of corrupt officials. The Bill also amends State legislation that contains references to redundant superannuation legislation. The Bill amends the Superannuation (State Public Sector) Act 1990, which governs QSuper, to expand the current membership provisions. Additionally, it amends the QSuper Act to indemnify the board of trustees to a level that is consistent with industry standards.

Some flexibility in the QSuper membership provisions is needed to accommodate structural changes to public sector organisations. Essentially, this Bill amends the QSuper Act to allow for the continuation of membership where employees are compulsorily transferred to a new organisation and agreement on retaining QSuper membership is reached between the members and the new employer. The Bill also amends the QSuper Act to provide to the QSuper board a level of indemnification that is consistent with the superannuation industry standards. The amendments will provide for the QSuper board to be indemnified in instances of a breach of statutory duty or other law committed by a member where the person has carried out their duties in good faith and without gross negligence. Similar to other State legislation, the Bill expressly provides for the liability to be attached to the State.

The deed covering the detailed QSuper provisions is a regulation which is due to expire on 31 August 2001. The basic tenet of a superannuation trust fund, and therefore the governing trust deed, is that the trust is assumed to exist in perpetuity. The QSuper trust deed provides for the rules and benefits of the State Government's superannuation arrangements. It is therefore required to continue in existence for as long as the Government provides superannuation for its employees. Consequently, the Bill amends Schedule 2A of the Statutory Instruments Act 1992 to include the Superannuation (State Public Sector) Deed 1990 as an instrument exempt from automatic expiry.

Some changes are also being made to the Act governing the superannuation for members of Parliament. The Commonwealth Government has enacted changes to the preservation of superannuation benefits and the treatment of benefits for members of superannuation schemes over the age of 70. This Bill amends the Parliamentary Contributory Superannuation Act 1970 so that it is broadly consistent with the Commonwealth laws. Effectively, superannuation benefits accruing from the parliamentary scheme after the date of the next State election will be preserved other than where members elect to take a life pension. Additionally, the Bill amends the Parliamentary Act in order to introduce a preservation age that is consistent with Commonwealth Government legislation. Also consistent with the Commonwealth Government's superannuation legislation, the Bill amends the Parliamentary Act to cease contributions into the fund upon a member reaching the age of 70. Benefits will be calculated as at this age and thereafter pension benefits will increase in line with the consumer price index and lump sum benefits will increase with interest.

This Bill further amends the Parliamentary Act to provide for the recognition of de facto relationships. Essentially, de factos will be recognised for the purposes of the payment of pensions

under the Parliamentary Act in a similar manner to legally married couples. The Bill also amends the methodology of indexation of pensions so that pensions paid under the Parliamentary Act are indexed in a consistent manner to pensions paid from QSuper. Effectively, these amendments will provide for all increases in the consumer price index to be passed on to members in full with decreases in pensions caused by any fall in the consumer price index to be deducted following a subsequent pension increase.

Additionally, the Bill amends the Public Officers' Superannuation Benefits Recovery Act 1988. This Act permits the recovery of the Crown financed portion of superannuation benefits where a person has been convicted of an offence involving the corruption of their office. In accordance with the current legislation, such cases are brought before the Supreme Court. Traditionally, cases that have been pursued in this manner have resulted in some financial losses to the Government as a result of the considerable legal fees involved in the full court process. As such, the Bill amends the Recovery Act to confirm that voluntary settlement of such cases out of court is possible.

The amendments to this Act also enable the recovery of superannuation benefits at the time of resignation rather than awaiting retirement age, which can be many years later. Various State Acts also contain references to the Superannuation (Government and Other Employees) Act 1988, the State Service Superannuation Act 1972, the Public Service Superannuation Act 1958, the Police Service Superannuation Act 1974 and the Police Service Superannuation Act 1968. As these superannuation Acts have now been repealed, this Bill amends references to the legislation in other State Acts. The Bill also amends the Motor Accident Insurance Amendment Act 2000 to remove a drafting anomaly and consequently renumber these sections. I commend the Bill to the House.
