



New South Wales

Superannuation Administration Amendment Bill 2003

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Superannuation Administration Act 1996* (the *Principal Act*) and certain regulations under that Act with respect to:

- (a) the provision of information relating to the general administration of FSS Trustee Corporation (*FTC*) and SAS Trustee Corporation (*STC*) superannuation schemes and funds to the Minister administering the Acts relating to those schemes and funds (currently the Special Minister of State), and
- (b) monitoring the activities of FTC and STC, and
- (c) clarifying the role of various superannuation trustees in resolving disputes concerning entitlements and obligations of members and former members of certain superannuation funds, and
- (d) quorums and voting procedures of the boards of FTC and STC.

The Bill also makes a number of amendments by way of statute law revision.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision that gives effect to the amendments to the *Superannuation Administration Act 1996* set out in Schedule 1.

Clause 4 is a formal provision that gives effect to the amendments to the Regulations set out in Schedule 2.

Schedule 1 Amendment of Superannuation Administration Act 1996

Provision of information to Minister administering FTC and STC Acts

Sections 42 and 90 of the Principal Act provide that FTC and STC must furnish to the Minister administering the Principal Act (currently the Treasurer) such information relating to the general administration and operation of the FTC and STC superannuation schemes and funds as that Minister may from time to time require. **Schedule 1 [9]–[12] and [17]–[20]** amend sections 42 and 90 to provide that the Minister administering the Acts under which the FTC and STC superannuation schemes and funds are established or constituted (currently the Special Minister of State) may also require that information.

Monitoring superannuation authorities

Schedule 1 [22] inserts proposed Part 4 (sections 96–99) into the Principal Act. The proposed Part (which mirrors in certain respects sections 254–256 of the *Superannuation Industry (Supervision) Act 1993* of the Commonwealth) makes provision for the monitoring of superannuation authorities (being FTC and STC). Specific provision is made for written notices issued by the Minister administering the Principal Act (currently the Treasurer) or an authorised person requiring specified information, or reports on matters, to be supplied by the superannuation authorities. That Minister or an authorised person is also given the power to require the production of books relating to the affairs of a superannuation authority and authorised persons are given the power to enter business premises for the purpose of monitoring the superannuation authorities.

Quorum and voting of FTC and STC Boards

Schedule 1 [26] and [28] amend clause 10 of Schedule 1 and clause 11 of Schedule 2 to the Principal Act to increase the quorum for a meeting of the boards of FTC and STC from 5 members to 6 members.

Schedule 1 [27] and [29] amend clause 12 of Schedule 1 and clause 13 of Schedule 2 to the Principal Act to provide that a decision supported by two-thirds of the members of the board of FTC or STC, respectively, is a decision of the board concerned. Each board has 9 members. Therefore a decision must be supported by 6 members to be a decision of the board of either of those corporations.

Amendments by way of statute law revision

Schedule 1 [1]–[8], [13]–[16], [21], [23]–[25] and [31] make amendments by way of statute law revision. The amendments are made for a variety of reasons including redundancy of certain provisions relating to initial contracts or arrangements with investment managers and administrators, the corporatisation and sale of Axiom Funds Management Corporation, the abolition of the role of Insurance and Superannuation Commissioner and the dissolution of the Superannuation Administration Authority.

Savings and transitional provision

Schedule 1 [30] makes an amendment to Schedule 3 to the Principal Act to allow savings and transitional regulations consequent on the enactment of the the proposed Act to be made.

Schedule 2 Amendment of Regulations

Schedule 2.1 [1] inserts proposed clause 12 (3) into the *Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Regulation 1997*. The amendment provides for the preservation of any right of appeal available to a former member of or contributor to a FTC scheme or STC scheme in respect of a matter involving a dispute with the trustee of that scheme, and not finally dealt with before the transfer of assets and liabilities of the scheme in respect of the former member or contributor to the electricity superannuation scheme. Such an appeal is to be dealt with in accordance with procedures under the electricity superannuation scheme as if the dispute were with Energy Industries Superannuation Scheme Pty Ltd (that scheme's trustee).

Schedule 2.2 [1] makes the equivalent amendment to the *Superannuation Administration (Local Government Superannuation Scheme Transitional Provisions) Regulation 1997*.

Schedule 2.1 [2]–[5] make amendments to clauses 40 and 41 of the *Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Regulation 1997* to clarify that a dispute concerning a former member or beneficiary of a FTC or STC scheme arising in respect of service by the former member with an employer before the transfer of the employer's employees to the electricity superannuation scheme is to be determined, not by FTC or STC, but by the trustee of the electricity superannuation scheme. **Schedule 2.2 [2]–[5]** makes the equivalent amendments to clauses 41 and 42 of the *Superannuation Administration (Local Government Superannuation Scheme Transitional Provisions) Regulation 1997*.