
CHAPTER 1 : INTRODUCTION

Reappointment of the Committee

1.1 On 13 May 1993 the Senate resolved that the Senate Select Committee on Superannuation be reappointed to allow it to complete three matters which had not been finalised when the 1993 federal election was called.¹ Subsequently, on 19 May 1993, four additional matters were referred to the Committee, namely:

- legislation to implement the recommendation in the Committee's first report, *Safeguarding Super*;
- increasing superannuation contribution from nine to 12 per cent;
- the interaction between allocated pensions and the social security system; and
- the use of superannuation funds to finance the purchase of housing by fund members.

1.2 In referring these new terms of reference the Senate resolved that the Committee report on or before the last sitting day of each of the budget and autumn sittings until the end of the Parliament or until the Committee presents its final report, whichever first occurs.

1.3 The Committee commenced its inquiry into these four matters by placing advertisements in a number of key newspapers and journals inviting written submissions. In addition, it contacted more than 500 persons/organisations who had expressed an interest in being on the Committee's mailing list which was compiled during the inquiry on its original terms of reference.

¹ Appendix A is a list of the Committee's reports since its establishment in June 1991.

Referral of the Bills

1.4 Following the introduction of the Superannuation Industry Supervision Bills (SIS Bills) into the House of Representatives on 27 May 1993, the Committee agreed that at the earliest opportunity it should convene a series of public hearings. The SIS Bills package comprises:

Bill	Date of Introduction to the Senate	Date of Reference to the Committee
Occupational Superannuation Standards Amendment Bill 1993	28.9.93	2.9.93
Superannuation (Financial Assistance Funding) Levy Bill 1993	18.10.93	2.9.93
Superannuation Industry (Supervision) Bill 1993	19.10.93	2.9.93
Superannuation Industry (Supervision) Consequential Amendments Bills 1993	18.10.93	2.9.93
Superannuation (Resolution of Complaints) Bill 1993	6.10.93	2.9.93
Superannuation (Rolled-Over Benefits) Levy Bill 1993	18.10.93	2.9.93
Superannuation Supervisory Levy Amendment Bill 1993	28.9.93	2.9.93

1.5 In essence, the SIS Bills represent the Government's response to the recommendation of the Committee's first report, *Safeguarding Super*. On 5 October 1993, following the introduction of two of the Bills into the Senate, the Senate resolved that the Committee present its report on or before the last sitting day in October 1993.

Conduct of the Inquiry

1.6 Having taken evidence on the need to increase the prudential control and supervision of superannuation funds during its initial period of appointment, the Committee was well placed to comment on the provisions of the Bills. In order to gain a better understanding of the more complex and possibly controversial aspects of the Bills, the Committee convened public hearings in Melbourne (22 September), Sydney (23 September) and Canberra (24 September). During these hearings 214 pages of oral evidence was taken from persons/organisations who had made a written submission (see Appendix B). Appendix C includes a list of witnesses who appeared at the public hearings.

1.7 In order to facilitate wider discussion of the Bills, the Committee agreed that unless otherwise ordered, written submissions would be published on receipt. Likewise, the Committee circulated uncorrected Hansard transcripts as they became available. References to oral testimony are to page numbers in these Hansard proofs. These appear in footnotes as 'Evidence p xx'. Written submissions to the inquiry appear as 'SIS Sub No xx'.

Appreciation

1.8 The Committee records its appreciation of the written submissions and oral evidence to this inquiry. The Committee also acknowledges the cooperation of the Parliamentary Secretary, Senator the Hon Nick Sherry, and officers of the Insurance and Superannuation Commission who attended the public hearings. Further, the Committee acknowledges the cooperation of the Parliamentary Secretary responsible for the ISC, the Hon Gary Johns MP, for providing the Committee with further informal briefings by ISC officers, and for publishing Government amendments to the Bills prior to their introduction in the House of Representatives and before the Committee's public hearings on the Bills. This greatly assisted the Committee's examination of a number of matters germane to the inquiry. The Committee appreciates the technical research support provided by the Parliamentary Research Service.

Structure of the Report

1.9 Chapter 2 of the report gives an overview of the package of Bills (hereafter referred to as the SIS Bills). Chapters 3 to 12 have been devoted to the principal bill, the Superannuation Industry (Supervision) Bill 1993. The Superannuation Industry (Supervision) Consequential Amendments Bill 1993, which inter alia will protect superannuation interests in cases of bankruptcy, is examined in Chapter 13. Chapters 14 to 18 address the Superannuation (Resolution of Complaints) Bill 1993. In Chapters 4 to 18 there are both recommendations for amendments to the Bills and recommendations for Government consideration and response. The Committee recommends that the package of Bills be agreed subject to these recommendations for amendment.

1.10 Following Chapter 18 there is a minority report on clause 64 of the Superannuation Industry (Supervision) Bill 1993 which has been prepared by the Government Members of the Committee, Senators Childs, Evans and West. This report recommends that recommendation 4.1 not be agreed to.