



Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005

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Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005

Date Introduced: 23 June 2005

House: Representatives

Portfolio: Finance and Administration

Commencement: Royal Assent or 1 January 2006, depending on the particular provision.

Purpose

To amend the:

- *Superannuation Act 1976* (the 1976 Act), governing the operation of the Commonwealth Superannuation Scheme (CSS)
- *Superannuation Act 1990* (the 1990 Act), governing the operation of the Public Sector Superannuation Scheme (PSS), and
- *Superannuation Act 2005* (the 2005 Act) applying to both the Public Sector Superannuation Scheme and Commonwealth Superannuation Scheme.

The main purposes of the proposed amendments is to:

- ensure that the operation of the PSS and CSS are consistent with the requirements of the *Superannuation Industry (Supervision) Act 1993* (the SIS Act) concerning fitness and propriety standards for superannuation fund trustees
- allow ‘negative’ crediting rates to be applied to member accounts in the CSS, and
- validate the payment of benefits from the CSS made in error to a small group of members.

Background

A number of recent developments form the background to this Bill.

Superannuation Safety

Section 29D(1)(d) of the SIS Act requires that the Australian Prudential Regulation Authority (APRA) be satisfied that applicants for Registrable Superannuation Entity licences be fit and proper persons. The standards for meeting the fit and proper person test

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are set out in Reg 4.14 of the Superannuation Industry (Supervision) Regulations 1994 (the SIS Regulations).

These licensing requirements came into effect for all APRA supervised superannuation trustees on 1 July 2004, subject to a transitional period ending 30 June 2006.¹ Effectively, all superannuation trustees have to hold the appropriate licence by 1 July 2006. The CSS and PSS Boards are in the process of applying for a superannuation trustee's licence.² The majority of CSS Board members are also PSS Board members.³

Provision of Information to Members

Part 7.9 of the *Corporations Act 2001* requires that superannuation fund members receive a wide range of information about the operation of their fund. Additional information must be provided to superannuation fund members under the SIS Regulations.⁴

CSS Changes

On 11 August 2004 the CSS Board decided to introduce investment choice for the fund's members. CSS members are now able to choose how their own contributions are invested.⁵ Initially, the choice is between a 'balanced' portfolio (where investments are made in a wide range of asset classes, e.g. fixed interest, shares property) and a 'cash' portfolio (where investments are made in highly secure and liquid instruments and markets such as the overnight intra-bank money market or short term fixed interest investments such as bank accepted/bank endorsed commercial bills). This approach was implemented between November and December 2004, and is the first step in introducing a greater range of investment choices for CSS members.

As a consequence of introducing investment choice for members, the way in which investment earnings were allocated to the CSS members' accounts was also changed. Prior to 1 July 2003 the earnings on members' accounts was determined by the calculation of the annual 'Crediting Rate'. The Crediting Rate is the rate of return on the members' account for the previous financial year.⁶

With effect from 1 July 2003 the members' investment earnings are determined on the basis of the 'Exit Rate'. This is the estimated investment performance of the particular members' chosen investment option between 1 July 2003 and the date on which they exit the CSS, taking into account fees and taxes.⁷ The Exit Rate is applied to the members' account balance, as at 1 July 2003, and to any subsequent contributions.

When the Crediting Rate approach was used to calculate the investment return on funds, if the CSS Fund made an investment loss, and reserves were insufficient to cover that loss, the government paid what was necessary to cover the losses to the extent of the members' own contributions (but not necessarily interest) when the benefit was paid out. See below

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for an analysis of the implications of situations when reserves were insufficient to cover investment losses

To reduce the financial risk to both the government and the members in the event of an investment loss an investment reserve of 5 per cent of the assets of the CSS fund was established. If the CSS made a loss, portions of the reserve were allocated to the members' account. Once investment earnings recovered, the investment reserve was gradually rebuilt to five per cent of the CSS's assets.

While the investment reserve was being rebuilt the Crediting Rate was reduced (including to zero) for that period of time. In this way continuing CSS members shouldered a large proportion of the CSS's investment risk, by foregoing investment earnings that they might have otherwise earned.⁸

The Crediting Rate policy, and associated use of reserves, was not without its problems. Where the CSS had made a loss, and a member left, that member did not take the full extent of the losses with them. The impact of rebuilding the investment reserve on the balances of the remaining members' accounts was, in these circumstances, greater than it might otherwise have been.

This problem had the potential to have a significant impact in coming years. The CSS was closed to new members in 1990. With no new members the CSS membership profile has rapidly aged. This situation, combined with the advantage that some CSS members may have by resigning before they reach age 54 and 11 months⁹, then claiming a CSS pension at or after age 55, may result in a comparatively rapid decline in CSS membership over the coming years.¹⁰ If the policy for allocating investment losses and gains had not been changed the situation might have arisen where a significant number of members exited the CSS in a period when the CSS experienced an investment loss, not taken a fair proportion of their investment losses with them, and left the remaining members with a disproportionate impact on their accounts (in terms of foregone investment earnings) during the period over which the investment reserve were rebuilt.

A further problem with the Crediting Rate policy was that once the investment reserve was rebuilt departing members did not take their share of that reserve with them. Thus the benefits of members who contributed to the rebuilding of the reserves and then left the CSS were often less than they might otherwise have been.

The new Exit Rate policy addresses these problems by applying the full extent of investment returns (and losses) continually to members' accounts. With the adoption of the Exit Rate as the basis for allocating the investment earnings the operation of the reserves is now limited to situations, should they occur, where members' total credited balances exceed the total assets of the CSS. In such a situation, a negative reserve would be created and would need to be replenished from future earnings.¹¹

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The difference between the Crediting Rate and the Exit Rate approaches is that under the former approach the investment reserves smoothed the investment performance on a year by year basis, and were replenished from future earnings. Under the Exit Rate approach the negative reserve is created when investment losses are of such size that they equal all the investment gains since 1 July 2003. Between 1 July 2003 and 17 June 2005 the total Exit Rate was 24.9%.¹² The CSS would have to experience a loss of this magnitude before a negative reserve was created, which would be replenished from future investment earnings.

The full implementation of the Exit Rate approach is hindered by the legal interpretation of the language used in the sections of the 1976 Act (to be amended by Schedule 2 of the Bill) that the CSS cannot declare a negative crediting rate to a members' account.

Unauthorised Payment of Benefits

Under the SIS Regulations a superannuation fund member cannot receive their preserved benefits until they have met a condition of release.¹³ Until recently, such conditions required a superannuation fund member to be retired from the workforce and have reached, or passed, their preservation age.¹⁴

Section 110TB of the 1976 Act provides that a deferred benefit is payable at either age 65 or upon provision of a written statement to the CSS Board stating that the member has retired from the work force. Section 111A of the 1976 Act provides that if a benefit is payable under the provisions of that Act, but cannot be paid under the provision of the SIS Act, then that benefit cannot be paid.

CSS members, working for various 'approved authorities'¹⁵ that offered alternative superannuation arrangements to the CSS, became deferred benefit members of the CSS. These members then claimed, and were paid, both lump sum and pension benefits from the CSS. To receive these payments the recipients should have exceeded their preservation age and retired from the workforce. (i.e. met conditions of release under the SIS regulations). However, the members concerned were still working, therefore the payments should not have been permitted by virtue of section 111A of the 1976 Act.

At the time the payment of these benefits was made, legal advice indicated that payments in these circumstances did not breach the law. That legal advice proved to be incorrect. Apparently, only a small number of 'approved authorities', and a small number of members, were involved.¹⁶

From 1 July 2005 a person who has reached their preservation age (for those born before 1960, the preservation age is 55 years of age), may access their superannuation benefits in the form of a non-commutable income stream without having to retire or leave their current employment.¹⁷ These measures were designed to cater for more flexible working arrangements at the end of a person's working life. Under these new provisions a person

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may receive a CSS pension, once they reach their preservation age, without having to leave the workforce (once any necessary changes to the 1976 Act receive Royal Assent).

Basis of policy commitment

Changes in the way the CSS operated were announced to CSS members in their annual statements and reports in respect of the 2003–04 financial year. These documents were mailed to members in the latter half of the 2004 calendar year. Further, the CSS Board's press release of 3 September 2004 publicly announced changes to the way in which the CSS Crediting and Exit Rates and reserving policy operated.

Position of significant interest groups/press commentary

A prominent Canberra financial consultant, Mr Daryl Dixon, has strongly supported the removal of the restriction of the CSS declaring a negative crediting rate and the already implemented changes in the CSS's reserving policy.¹⁸

Key Elements of the Bill

Application of SIS fitness and propriety standards

The application of the requirements of the SIS Act in respect of the CSS and PSS Boards as provided for in the Bill, brings the governance of these Schemes more into line with the standards that will apply to most other Australian superannuation funds by 1 July 2006.

Further changes proposed in the Bill reduce the reliance of these Boards on alternate or acting members and enable Board members to participate in meetings while they are overseas. These changes enable the CSS and PSS Board members to increase their participation in the management of the fund, potentially improving the consistency of decisions.

Providing Information to Members

The Bill proposes changes to the information to be provided to CSS and PSS members, bringing the operation of the PSS and CSS into line with the operating standards required of other Australian superannuation funds.

Removal of restrictions on CSS declaring a negative crediting rate

The removal of the restriction on the CSS declaring a negative rate of return will support the current Exit Rate method of allocating investment earnings to CSS members. This method enables a more equitable allocation of investment returns (and losses) between the continuing members of the CSS and the increasing number of departing CSS members over the coming years.

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The removal of this restriction may be perceived by members as increasing the investment risk to which they are exposed.

Validating previously unauthorised payments from the CSS

The proposed changes to the 1976 Act validate the unauthorised payments made to CSS members working for approved authorities and authorises the continued payment of these benefits. This is in conformity with the new regulations introduced in 2005 allowing a person to commence receiving a non-commutable income stream if they had reached their preservation age and have not retired from the workforce. Further, these changes do not require the affected CSS members to repay the unauthorised or unlawful benefits paid to them in the past.

Any consequences of failure to pass

Should the proposed changes allowing the declaration of negative crediting rates for the CSS not be passed it is unclear if the current wording of the 1976 Act will cover the new Exit Rate policy of allocating investment earnings and losses. This may have significant consequences for the equity with which the CSS investment earnings, and losses, are allocated in the coming years. The retirement savings of continuing CSS members may be significantly affected if the CSS experiences a large number of exits and also experiences significant investment losses at the same time.

Main Provisions

Schedule 1

Schedule 1 of the Bill amends the 1976, the 1990 Act and the 2005 Act to make changes to the qualifications for appointment to the PSS and CSS Boards, and to allow Board members to participate in Board meetings while overseas. Other changes in **Schedule 1** broaden the range of people to whom the CSS and PSS Boards can delegate their powers, and allow these Boards to require employers to distribute to their employees information as required under the *Corporations Act 2001*.

Item 2 of Schedule 1 inserts new subsection 27F(1B) into the 1976 Act. It requires that the two part-time members of the CSS Board to meet the SIS fitness and propriety standards. **Item 4 of Schedule 1** ensures that the SIS fitness and propriety standards applies to people appointed as part-time members of the CSS Board after the commencement of **Item 2**.

The other members of the CSS Board occupy that position by virtue of their membership of the PSS Board.¹⁹ Amendments to the PSS Trust Deed will require PSS Board members to meet the SIS fitness and propriety standards.²⁰

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Item 3 of Schedule 1 amends subsection 27H(1)(b) of the 1976 Act so that it is not necessary for the Minister to appoint someone to act as a part-time CSS Board member when a part-time member of the CSS Board (appointed pursuant to section 27F(1)(b) of the 1976 Act) is away from Australia.

Item 5 of Schedule 1 inserts new subsection 27H(1C) into the 1976 Act ensuring that acting members of the CSS Board also meet the SIS fitness and propriety standards.

Item 7 of Schedule 1 adds two new subsections to **section 27M** of the 1976 Act and allows the responsible Minister (in this case the Minister for Finance and Administration) to terminate a part-time CSS Board members' appointment if they do not meet the SIS fitness and propriety standards.

Item 8 of Schedule 1 adds two new subsections to **section 27N** of the 1976 Act that allows a CSS Board member to appoint a proxy to attend, and vote on their behalf, a Board meeting which they cannot attend. A member appointed as a proxy cannot vote on any motion on behalf of the absent member unless: 1) specifically authorised in writing by the absent Board member in respect of a particular issue and 2) that the proxy attendee's vote is in accordance with the absent members' written instruction on that particular motion.

Items 9 to 14 of Schedule 1 outline how attendance and voting by proxy attendees are to be treated in the conduct of CSS Board meetings.

Item 15 of Schedule 1 adds a new sub-paragraph to section 27Q that has the effect of widening the group of people to which the CSS Board can delegate most of its powers to include members of the staff of the CSS Board. **Item 20 of Schedule 1** achieves the same outcome for the staff of the PSS Board. **Item 26 of Schedule 1** also achieves this outcome for staff of the PSS Board in respect of the PSS Accumulation Fund set up under the *Superannuation Act 2005*.

Item 18 of Schedule 1 amends **section 163AB** of the 1976 Act so that the Board can require designated employers²¹ of eligible employees (for which read CSS members) to pass to these employees any required information under any Commonwealth Act, including the *Corporations Act 2001*. As noted above, the bulk of the legislation governing information given to superannuation fund members is now in the *Corporations Act 2001*. Under current legislation the CSS Board can only require employers to pass to employees information under the SIS Act. **Item 23 of Schedule 1** achieves the same outcome for employers of PSS members under the 1990 Act.

Schedule 2

Schedule 2 amends the 1976 Act to allow the CSS board to apply negative interest rates to CSS member accounts.

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Many of the amendments are to the particular language of various subsections to allow for this to occur. For example in **Item 1 of Schedule 2** the definition of ‘accumulated basic contributions in **subsection 3(1)** of the 1976 Act is to be amended in the following manner:

- the words ‘interest that is **payable** in respect of those contributions’ is to be removed, and
- the words ‘interest on those contributions’ put in their place.

As can be seen the concept of ‘payable’ is left out of the proposed definition. ‘Negative interest’ could not be applied to a CSS members’ account if the current definition was left in place, as ‘negative interest’ cannot be said to be ‘payable’. **Items 2, 15, 18, 21, 24, 26 of Schedule 2** have similar effects.

Items 4 and 5 of Schedule 2 inserts new definitions covering the terms ‘interest’ and ‘notional interest’ into section 3(1) of the 1976 Act. The definition of these two terms includes the concept of negative or zero interest.

Item 9 of Schedule 2 adds new **subsection 9** to **section 3** of the 1976 Act. Under the proposed **subsection 3(9)** the result of a calculation (irrespective of whether the expression sum, total, plus or any other expression is used) which involves negative interest or negative notional interest, cannot be less than zero.

The importance of the proposed **subsection 3(9)** can be seen in the proposed amendments in **items 10, 11 and 12 of Schedule 2**. These items deal with the value of superannuation balances of members who either cease receiving an invalidity pension or cease being ‘deferred benefit members’²² and again become eligible employees for CSS purposes; that is, re-enter Commonwealth employment. In combination with the proposed **subsection 3(9)** the proposed amendments to subsections 7A(1), (2) and (3) of the 1976 Act ensure that the amount of there superannuation balances after recommencing work cannot be less than zero after negative interest is taken into account.

Items 13 and 14 of Schedule 2 achieve a similar outcome in respect of amounts transferred into the CSS from other government superannuation schemes. That is, amounts transferred into the CSS from these sources cannot be less than zero for CSS purposes.

In combination with proposed section 3(9), **item 23 of Schedule 2** ensures that the value of an ‘associated deferred benefit’ cannot be less than zero after negative interest rates are taken into account. An associated deferred benefit is a benefit split under the provisions of the *Family Law Act 1976* and preserved in the CSS until the member elects to take or transfer that benefit under the provisions of the 1976 Act.

Item 28 of Schedule 2 ensure that the changes in this Schedule do not effect any previous determinations made by the CSS Board in respect of Crediting Rates prior to 1 January 2006.

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Item 29 of Schedule 2 makes it clear that zero interest rates could be determined before 1 January 2006. This last provision applies to those periods where the Crediting Rates under the CSS were, in fact, zero.

Schedule 3

Item 1 of Schedule 3 of the Bill validates the unauthorised payment of pensions from the CSS, which have been made in certain circumstances. It does this by:

- defining the period during which these particular pensions were paid (**sub-item 1(1)**)
- allowing for the recovery of these benefits (**sub-item 1(2)**)
- creating a new benefit payable equal to the total amount of pension that would have been paid over the period defined in **sub-item 1(1)** and (**sub-item 1(4)**), and
- allowing for the debt due to the Commonwealth arising from **sub-item 1(2)** to be recovered from the new benefit payable under **sub-item 1(4)**.

The result is that CSS members who received these pension payments during the period defined in **sub-item 1(1)** do not have to make any payments back to the CSS fund.

Sub-items 1(6) and following permit the continued payment of pensions that arose in circumstances defined in **sub-item 1(1)**.

Item 2 of Schedule 3 validates the payment of previously illegal or unauthorised lump sums from the CSS through a similar mechanism to that mentioned above. Again, no lump sum paid in these particular circumstances has to be repaid to the CSS fund.

Concluding Comments

If passed, the enduring legacy of this Bill is that the provisions of the SIS Act, relating to the fitness and propriety of superannuation trustees and licences will apply to the CSS and PSS boards. This brings the prudential supervision of these funds further into line with arrangements applying to other Australian superannuation funds and schemes.

Endnotes

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- 1 Source: Australian Prudential Regulation Authority web site, at: <http://www.apra.gov.au/Superannuation/Superannuation-Licensing.cfm> accessed 28 June 2005.
 - 2 Advice from Australian Prudential Regulation Authority staff; 28 June 2005.

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- 3 Subsection 27F(1) *Superannuation Act 1976*
- 4 Part 2, Superannuation Industry (Supervision) Regulations 1994.
- 5 CSS members can contribute between 5 and 10 per cent of their salary, on an after tax basis, to the CSS Fund. The Commonwealth does not contribute until the benefit is taken. The Commonwealth's contribution comes from consolidated revenue and is in the form of either a CPI indexed pension or a 'un-taxed' lump sum.
- 6 CSS web site, *Investment Information – Crediting Rate*, at: <http://www.css.gov.au/css/investment/crediting.htm> accessed 28 June 2005.
- 7 CSS web site, *Investment Information – Exit rates*, at: http://www.css.gov.au/css/investment/exit_rates.htm accessed 28 June 2005.
- 8 CSS crediting rates and investment returns for previous years are shown in the following table. As can be seen from 1 July 2001 to 30 June 2003 the crediting rate was zero. This period was also one of weak investment returns.

Year	Crediting Rate	Return % pa
1999-2000	15.1%	15.1
2000-2001	5.0%	1.8
2001-2002	0.0%	-5.6
2002-2003	0.0%	3.0
2003-2004	Exit rates applied	13.9

Source: CSS Web Site

- 9 If a CSS member resigns from the Commonwealth Public Service before reaching their 55th birthday their pension is calculated on the basis of their accumulated basic contributions and interest. In certain circumstances this can result in a higher pension than if they had waited till turning 55 and having their pension calculated on the basis of their years of services and their current final average salary. For administrative convenience the CSS administrator, Comsuper, prefers that members resign before reaching 54 and 11 months.
- 10 Around 18,500 APS employees who are CSS members will reach age 55 over the next 15 years. This is about 70% of all current CSS members, many of whom may leave the APS before they reach age 54 and 11 months. Of the remaining 30% of current members, about half are already aged 55 or older and half are aged less than 40.

Based on the 2000-01 and 2001-02 data, a trendline was projected to estimate the number of 54 and 11 months exits over the next 15 years. This data is highly sensitive to factors including future retrenchment trends, economic conditions (such as any future zero or negative exit rates for the CSS) and any successful employer retention strategies that might be implemented.

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An estimate of 54 and 11 month exits assumes that about 40%, or slightly more, of CSS members who are approaching age 55, will take a 54 and 11 months exit. This would result in about 600 exits in 2004-05 then gradually fall to around 300 exits in 2016-17.

The above estimates were based on data for a period when the retirement expectations for the general Australian population perhaps showed a greater preference for early retirement. There is some evidence that this preference is changing. This apparent change in retirement age intentions may affect the retirement intentions of the remaining CSS members. Source: Australian Public Service Commission – web based document, *Superannuation and mature-aged APS workers*, p. 6. See: <http://www.apsc.gov.au/publications03/maturefinance.htm> accessed 28 June 2005.

- 11 Previously the CSS Board's investment policy included a reserving mechanism, which gave effect to the legislative requirement that members do not exit the CSS with less than what they have contributed, even when the investment performance has been below zero. Reserves were limited to no more than 5% of the CSS's assets and were used to smooth annual returns. If the value of reserves was not sufficient to offset completely any negative investment returns then, because the CSS Board cannot determine a negative interest rate for members, a negative reserve was created. This negative reserve was replenished out of future earnings.

With the changes to the CSS Crediting and Exit rate policies, effective 13 August 2004 (applying from 1 July 2003), the CSS Board has decided to limit the use of the reserving mechanism to those situations, should they occur, where members' credited balances exceed the assets of the Fund. In such a situation, a negative reserve would again be created and would need to be replenished from future earnings.

Because the CSS is no longer determining annual crediting rates but is instead allocating members their share of the Fund's assets when they leave, the CSS may have a notional balance which represents unallocated earnings. This balance is invested in exactly the same way it would be if it were allocated to members, and members earn a return on this balance in exactly the same way they would if it were allocated to them. Source: CSS Web Site, *Key Investment Terms*, at: <http://www.css.gov.au/css/investment/terms.htm#reserves> accessed 28 June 2005.

- 12 CSS web site, *Investment Information – Exit Rates*, at: http://www.css.gov.au/css/investment/exit_rates.htm accessed 28 June 2005.
- 13 Regulations 6.18 and 6.19 of the Superannuation Industry (Supervision) Regulations 1994.
- 14 Regulations 6.01, 6.03, 6.07, 6.17, 6.18, and 6.19 and item 101 and 108 of Schedule 1, Superannuation Industry (Supervision) Regulations 1994.
- 15 For CSS purposes Approved Authorities include:
- Aboriginal and Torres Strait Islander Commercial Development Corporation
 - Aboriginal Areas Protection Authority
 - Aboriginal Hostels
 - ACTEW Corporation Ltd

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Adelaide Symphony Orchestra Pty Ltd
Airservices Australia
Albury Wodonga Development Corporation
Anglo–Australian Telescope Board
Australia Council
Australian Broadcasting Corporation
Australian Capital Territory
Australian Dairy Corporation
Australian Film Commission
Australian Film, Television and Radio School
Australian Fisheries Management Authority
Australia Foundation for Culture and the Humanities Ltd
Australian Institute of Aboriginal and Torres Strait Islander Studies
Australian Institute of Criminology
Australian Institute of Family Studies
Australian Institute of Marine Science
Australian International Hotel School
Australian Marine Science and Technology Limited
Australian Maritime College
Australian Maritime Safety Authority
Australian National Training Authority
Australian National University
Australian Nuclear Science and Technology Organisation
Australian Pork Corporation
Australian Sports Commission
Australian Sports Drug Agency
Australian Tourist Commission
Australian Trade Commission
Australian Wine and Brandy Corporation
Calvary Hospital ACT Incorporated
Canberra Theatre Trust
Centralian College
Civil Aviation Safety Authority
Conservation Commission of the Northern Territory
Commonwealth Scientific and Industrial Research Organisation
Cotton Research and Development Corporation
Dairy Research and Development Corporation
Export Finance and Insurance Corporation
Film Australia
Fisheries Research and Development Corporation

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Forest and Wood Products Research and Development Corporation
Grains Research and Development Corporation
Health Insurance Commission
Health Services Australia Ltd
High Court of Australia
Horticultural Research and Development Corporation
Indigenous Land Corporation
Katherine Rural College
Land and Water Resources Research and Development Corporation
Law Courts Limited
Aid Commission (ACT)
Melbourne Symphony Orchestra
Menzies School of Health Research
Murray Darling Basin Commission
Museums and Art Galleries Board established by the Museums and Art Galleries Ordinance
1965 (Northern Territory)
National Gallery of Australia
National Registration Authority of Agriculture and Veterinary Chemicals
National Standards Commission
Northern Territory of Australia
Northern Territory Tourist Commission
Northern Territory University
Nuclear Safety Bureau
Pig Research and Development Corporation
Power and Water Authority
Private Health Insurance Administration Council
Private Health Insurance Complaints Commissioner
Queensland Orchestras Pty Ltd
Rural Industries Research and Development Corporation
Snowy Mountains Hydro-Electric Authority
Special Broadcasting Service
Sugar Research and Development Corporation
Sydney Symphony Orchestra Holdings Pty Limited
Symphony Australia Holdings Pty Ltd
Tasmania Symphony Orchestra Holdings Pty Ltd
Totalcare Industries Limited
Trade Development Zone Authority
University College, the College established by the University of New South Wales within the
Australian Defence Force Academy
University of Canberra

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West Australian Symphony Orchestra Holdings Pty Ltd

Source: CSS Annual Report 2003–04, Appendix E – Departments and Approved Authorities.

- 16 CSS Media Release: Steve Gibbs, CSS Chief Executive Officer, *CEO provides clarification on benefit payments for CSS members employed by approved authorities*, April 2005, at: <http://www.css.gov.au/css/news/index.html>, accessed 29 June 2005.
- 17 Superannuation Industry (Supervision) Amendment Regulations 2005 (No. 2) and Retirement Savings Accounts Amendment Regulations 2005 (No. 1). Any type of income stream can be taken under these provisions, including allocated pensions or market linked pensions. However, they are non-commutable until the person has reached 65 and retired.
- 18 Daryl Dixon, 'Labour throws spotlight on choice', *Public Sector Informant*, 3 August 2004, p. 21.
- 19 Explanatory Memorandum to the Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005, p. 6.
- 20 *ibid.*, p. 3.
- 21 A 'designated employer' is defined in section 3C of the *Superannuation Act 1976*. Briefly, a designated employer is a Commonwealth Department or an 'Approved Authority' (see endnote 11 above).
- 22 A 'deferred benefit member' is one who resigns from Commonwealth employment before reaching the age 55, and preserves their benefits within the CSS.

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