

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 221-224

Topic: Exempt Public Superannuation Schemes

Hansard Page: Written

Senator BIRMINGHAM asked:

221. How many exempt public superannuation schemes have all the employer-appointed members of their Trustee Board appointed by private sector employers, or employer organisations, and what are the names of these schemes?
222. Is the *Heads of Government Agreement on Superannuation* being monitored by the APRA, or any other Commonwealth authority, to ensure that exempt public sector superannuation schemes are meeting all the important obligations they have under the agreement?
223. Where an exempt public sector superannuation scheme reduces benefits for its members is there any Commonwealth authority that has to be notified of the intention to reduce benefits and if so does that authority assess whether or not the benefit reductions meet the requirements of the *Heads of Government Agreement on Superannuation*?
224. Where an exempt public sector superannuation scheme transfers money back to a Government or to Government employers, is there any Commonwealth authority that has to be notified of the intention to make the transfer and, if so, does that authority assess whether or not the transfer meets the requirements of the *Heads of Government Agreement on Superannuation*?

Answer:

221. Certain Commonwealth, State and Territory public sector superannuation schemes are exempt from the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). These schemes are listed in Schedule 1AA to the SIS Regulations.

Although exempt from the SIS legislation, these schemes are subject to the specific legislation or policy under which they are established. Also, State and Territory Governments undertook, in a 1996 Heads of Government Agreement, that these schemes would conform to the principles of the Commonwealth's retirement income policy, as reflected in the Agreement and Commonwealth legislation.

Some exempt public sector superannuation schemes accept contributions from private sector employer sponsors. For example, some allow contributions from private sector employers on behalf of former public sector employees of the scheme.

The Australian Treasury does not have information on whether there are any appointments to trustee boards of exempt public sector superannuation schemes that are made by private sector employers or employer organisations.

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222. The Australian Treasury is now responsible for monitoring compliance with the Agreement. The States and Territories agreed to facilitate the exchange of information to enable the Agreement to be monitored. The Commonwealth, States and Territories further agreed that this exchange of information would be the mechanism by which the Agreement would be monitored. The Commonwealth is in the process of negotiating an updated version of the Agreement with the States and Territories.
223. In the Agreement State and Territory Governments undertook to ensure that members' accrued benefits in exempted schemes are fully protected. The Agreement does not require schemes to advise the Commonwealth of changes to benefits.
224. State and Territory Governments undertook to ensure that members' accrued benefits in exempted schemes are fully protected. The Agreement does not require schemes to advise the Commonwealth of transfers of money to their government or government employers.