

Statement in relation to *Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011*

On behalf of the Joint Committee on Corporations and Financial Services, I seek leave to make a statement on the *Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011* in discharge of the committee's requirement to provide an advisory report on the Bill and to present a copy of my statement.

On the 7 July 2011, the House of Representatives Selection Committee referred the *Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011* to the Joint Committee on Corporations and Financial Services.

The Bill proposes to move the responsibility for the administration of the early release of benefits in a retirement savings account or superannuation benefits in an entity regulated by the Australian Prudential Regulatory Authority on compassionate grounds from APRA to the Chief Executive of Medicare.

Similarly, the general administration of the early release of superannuation benefits in a self managed superannuation fund on compassionate grounds will be transferred from the Commissioner of Taxation to the Chief Executive of Medicare.

The amendment formalises an arrangement that has been in place since 3 February 2011 when APRA and Medicare Australia entered into a service delivery agreement for Medicare Australia to carry out the day-to-day functions in relation to the administration of early release of superannuation in APRA-regulated superannuation entities under delegation from APRA. At the same time, the day-to-day functions in relation to the administration of early release of superannuation in self-managed superannuation funds, under delegation from the Commissioner of Taxation, was transferred from APRA to Medicare Australia.

There is no extra cost associated with this amendment. Part 2 of Schedule 1 of the Bill amends the *APRA Act 1998* so that the industry levy associated with the administration of the early release of superannuation benefits currently paid to APRA can be transferred to Medicare Australia to meet administrative costs.

To support this arrangement, APRA officers were transferred to Medicare Australia in February 2011 to undertake the administration of the early release function.

The committee supports and endorses moves to formalise the interim arrangements that have been in place for over 6 months.

After consideration of the evidence, the committee has agreed not to inquire further into this Bill and recommends that the House pass the Bill.

I take this opportunity to echo the comments made last week by Ms Rishworth in her statement as Chair of the Standing Committee on Education and Employment when responding to a referral of a similarly uncontroversial Bill.

Whilst supporting the referral of bills as an effective mechanism for increasing transparency and public consultation, the committee feels that the referral process would be more effective if an explanation was also provided as to why the Bill was referred in the first place so that the committee can target its efforts more effectively.

This Bill is simply a formalisation of arrangements that are already in place and that are supported by stakeholders. The committee is agreed that no further action is required by them in relation to this Bill.

Mr B. Ripoll MP (Chair)
22 August 2011