

# Appendix 1

## Submissions

<b>Submission No.</b>	<b>Submittor</b>	<b>Issue</b>
1	National Farmers Federation	Choice
2	Joe Hlubucek	Surcharge
3	Society of Superannuants	Surcharge
4	Society of Superannuants	Choice
5	ACTU	All
6	West Tamar Council	Co-contribution
7	Joseph Xerri	Surcharge
8	SunSuper	Choice
9	AIG (Australian Industry Group)	Choice
10	CPA Australia	All
11	MTAA Super Fund	Choice
12	Bob Stephens, Chris Engelhardt	Choice
13	Corporate Super Association	Choice
14	Quadrant Superannuation	Choice
15	Institute of Actuaries Australia	All
16	Cbus	Choice
17	ASFA	Choice
18	ASFA	Co-contribution
19	ASFA	Surcharge
20	Mercer Human Resource Consulting Pty Ltd	Choice
21	Mercer Human Resource Consulting Pty Ltd	Co-contribution

22	Mercer Human Resource Consulting Pty Ltd	Surcharge
23	Taxpayers Australia Inc	All
24	Association of Financial Advisers	Choice
25	Australian Chamber of Commerce and Industry (ACCI)	Choice
26	Superpartners	All
27	Australian Consumers Association & Financial Services Consumer Policy Centre (UNSW)	Choice
28	Superpartners (Supplementary)	Co-contribution
29	AIST	Choice
30	Industry Funds Forum Inc	All
31	Corporate Super Association (Supplementary)	Choice
32	Kearney Financial Services Pty Ltd	Co-contribution
33	Commonwealth Bank of Australia	Choice
34	Australian Bankers' Association	Choice
35	Australian Council of Social Service (ACOSS) and surcharge	Co-contribution
36	Investment & Financial Services Association Ltd (IFSA)	All
37	Financial Planning Association of Australia Limited	Choice
38	Australian Chamber of Commerce and Industry (ACCI) (Supplementary Submission)	Choice
39	Sunsuper Pty Ltd (Supplementary Submission)	Choice
40	Cbus (Supplementary Submission)	Choice
41	Australian Taxation Office	Co-contribution
42	Society of Superannuants (Supplementary Submission)	Surcharge
43	Confidential	
44	Industry Fund Services	Choice
45	Connect Internet Solutions Pty Ltd	Choice
46	National Farmers' Federation (Supplementary Submission)	Choice

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47	National Farmers' Federation (Supplementary Submission)	Choice
48	Australian Taxation Office (Supplementary Submission)	Choice
49	IOOF Funds Management	Choice
50	Confidential	
51	Department of the Treasury	Choice
52	Austsafe Super	Choice
53	Australian Consumers' Association (Supplementary Submission)	Choice

Note: Submissions 1 to 43 tabled on 26 September 2002 with Report on Provisions of the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and Provisions of the Superannuation Legislation Amendment Bill 2002.



## Appendix 2

### Public Hearings

#### Monday, 2 September 2002, Melbourne

##### *Superpartners*

Ms Fiona Galbraith, Manager Compliance

##### *Australian Consumers' Association (ACA) and the Financial Services Consumer Policy Centre (FSCPC)*

Ms Catherine Wolthuizen, Senior Policy Officer, Financial Services, ACA

Mr Khaldoun Hajaj, Researcher, FSCPC, UNSW

##### *Association of Financial Advisers*

Mr Michael Murphy, Chair, Public Affairs Committee

##### *Cbus*

Ms Maria Butera, National Marketing Manager

Mr Gordon Noble, Employer Coordinator

##### *Westscheme*

Mr Howard Rosario, Chief Executive

##### *CPA Australia*

Mr Murray Wyatt, Chair, Superannuation Centre of Excellence

Ms Noelle Kelleher, Superannuation Centre of Excellence

Mr Paul Drum, Senior Tax Counsel

##### *Society of Superannuants (SOS)*

Mr Peter Somerville, Treasurer

Mr Don Steel, Actuarial Adviser

*Mercer Human Resource Consulting*

Mr John Ward, Manager, Research and Information

**Tuesday, 3 September 2002, Melbourne***Corporate Super Association*

Mr Mark Cerche, Chairman

Mr Nicholas Brookes, Chief Executive

Ms Elizabeth Goddard, Head of Research

*Australian Council of Trade Unions (ACTU)*

Ms Linda Rubinstein, Senior Industrial Officer

*Motor Trades Association of Australia (MTAA) Superannuation Fund*

Mr Paul Watson, Executive Officer

Mr John Jones, National Manager, Marketing and Business Development

*ASFA*

Dr Michaela Anderson, Director, Policy and Research

Dr Brad Pragnell, Principal Policy Adviser

*Taxpayers Australia and Superannuation Australia*

Ms Barbara Smith, Technical Director

*Australian Institute of Superannuation Trustees (AIST)*

Ms Helen Dyson, Vice President

*Australian Chamber of Commerce and Industry (ACCI)*

Mr Peter Anderson, Director, Workplace Policy

Dr Steven Kates, Chief Economist

**Wednesday 11 September 2002, Canberra***National Farmers' Association*

Ms Denita Harris, Policy Manager and Industrial Relations Advocate

*Financial Planning Association (FPA)*

Mr Ken Breakspear, Chief Executive

Mr Con Hristodoulidis, Senior Manager Policy

*Investment and Financial Services Association (IFSA)*

Mr Richard Gilbert, Chief Executive Officer

Mr Bill Stanhope, Senior Policy Manager

Mr Brian Bissaker, Member, Economic Savings and Tax Board, IFSA

*Australian Bankers' Association (ABA)*

Mr David Bell, Chief Executive Officer

Ms Ardele Blignault, Director

Mr John Loveridge, Manager, Employer/Employee Benefits, Commonwealth Bank

*Industry Funds Forum (IFF)*

Mr Ian Silk, Convenor

*Department of the Treasury and the Australian Taxation Office (ATO)*

Mr Trevor Thomas, Manager, Superannuation, Retirement and Savings Division, Department of the Treasury

Mr Phil Gallagher, RIM Group, Department of the Treasury

Mr Christopher Timotheou, Analyst, Department of the Treasury

Mr Michael Rosser, Manager, Consumer Protection Unit, Department of the Treasury

Mr Brett Wilesmith, Analyst, Consumer Protection Unit, Department of the Treasury

Mr Patrick Boneham, Analyst, Superannuation, Retirement and Savings Division, Department of the Treasury

Mr Alan Mallory, Analyst, Department of the Treasury

Ms Vicki Wilkinson, Specialist Adviser, Financial Systems Division, Department of the Treasury

Mr Marcus Markovic, Assistant Commissioner, ATO

Mr Stephen Murtagh, Assistant Commissioner, ATO

**Thursday 19 September 2002, Canberra**

*Department of the Treasury and the Australian Taxation Office (ATO)*

Mr Roger Brake, General Manager, Superannuation, Retirement and Savings Division, Department of the Treasury

Mr Trevor Thomas, Manager, Superannuation, Retirement and Savings Division, Department of the Treasury

Mr Michael Rosser, Manager, Consumer Protection Unit, Financial System Division, Department of the Treasury

Mr Patrick Boneham, Analyst, Superannuation, Retirement and Savings Division, Department of the Treasury

Ms Vicki Wilkinson, Specialist Adviser, Financial System Division, Markets Group, Department of the Treasury

Mr Marcus Markovic, Assistant Commissioner, ATO

Mr Stephen Murtagh, Assistant Commissioner, ATO

Note: Proof transcripts were tabled on 26 September 2002 with Report on Provisions of Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and Provisions of the Superannuation Legislation Amendment Bill 2002.



## **Appendix 3**

### **Tabled Documents**

#### **Monday 2 September 2002**

- *Senate Committee Discussion Points - 2nd Sep 02*, tabled by Mr Somerville, Society of Superannuants;
- *Case Study 1: Do not pay me that extra dollar*, tabled by Mr Ward, Mercer Human Resource Consulting; and
- *Case Study 2: How to pay more than 70% tax*, tabled by Mr Ward, Mercer Human Resource Consulting.

#### **Tuesday 3 September 2002**

- Article from *Money Management* magazine, August 22, 2002, entitled: Tom Collins, 'Industry repairs should be first priority', tabled by Ms Rubinstein, ACTU; and
- Issue 18, September 2002, *DIY Superannuation* journal, tabled by Ms Smith, Taxpayers Australia Inc.



## **Appendix 4**

### **Main Provisions of the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002**

1.1 The Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 amends the *Superannuation Guarantee (Administration) Act 1992*. Of particular note, the Bill amends Item 22 of Schedule 1 of the Act, through the insertion of a new Part 3A – Choice of fund requirements. This new Part 3A is structured in eight Divisions. The main provisions of these Divisions are outlined below (Division 1 is an overview).

#### ***Division 2 – Contributions that satisfy choice***

1.2 Proposed section 32C lists the following contributions as complying with the choice of fund requirement:

- Contributions to a chosen fund;
- Contributions to a default fund where there is no chosen fund for the employer to contribute to;
- Contributions to unfunded public sector arrangements other than contributions for Commonwealth employees that are members of the Commonwealth Super Scheme (CSS) or Public Sector Superannuation (PSS);
- Contributions made to the CSS, PSS and contributions made under the *Superannuation (Productivity Benefit) Act 1988*;
- Contributions made under an Australian Workplace Agreement (AWA) or a certified agreement under the *Workplace Relations Act 1996*;
- Contributions made under relevant Victorian or prescribed Commonwealth, State or Territory legislation; and
- Contributions made after employees cease employment.

#### ***Division 3 – Funds that are eligible choice funds***

1.3 Proposed section 32D lists the funds that will be deemed to be eligible choice funds:

- A complying superannuation fund or scheme at the time;
- An RSA; or
- A fund that is presumed to be a complying fund while further information is sought or a decision on complying status is pending.

### ***Division 4 – Choosing a fund***

1.4 Proposed section 32F provides that an employee can select a fund in accordance with the choice process set out in Division 6.

### ***Division 5 – Default fund***

1.5 Proposed section 32K sets out the default fund for an employee. For new employees or on-going employees whose default fund has ceased by virtue of the proposed section 32L, the default fund will be:

- The Commonwealth or Territory industry award fund for the employee; or
- If there is no Commonwealth or Territory industry award fund for the employee – the ‘majority fund’; or
- If there is no Commonwealth or Territory industry award fund for the employee or ‘majority fund’ – any eligible fund chosen by the employer (proposed section 32K(2)).

1.6 The ‘majority fund’ is the eligible choice fund to which the employer contributes on behalf of more employees than any other fund (proposed sections 32K(7), (8) and (10)). If an employer contributes on behalf of the same number of employees to two or more funds, the employer must choose one of them as the default fund for the employee (proposed section 32K(9)).

### ***Division 6 – Formal choice process***

1.7 Proposed sections 32M and 32N set out the process to be followed in choosing a fund under section 32F. Under these sections, an employer must give employees a standard choice form within 28 days of the employee commencing work, or within 28 days of the employee requesting a choice, although such requests may only be made once every 12 months. An employer must also offer a choice within 28 days of becoming aware that they cannot contribute to a chosen or default fund.

1.8 Proposed section 32P requires that a standard choice form should contain the following information:

- A statement that the employee may choose any eligible choice fund;
- The date the form was given to the employee and the date by which the employee must make a choice; and
- Information required to be provided in accordance with Regulations, including details of the default fund and particular information for defined benefit fund members about their scheme.

1.9 Employees must advise their employer of their chosen fund, in writing, within 28 days of being given the standard choice form.

***Division 7 – Non-compliance with the choice of fund requirement***

1.10 Proposed sections 32T, 32U and 32V make it an offence for an employer not to provide an employee with a standard choice form, or to contribute to a fund or an RSA that is not in compliance with the choice of fund of the employee.

***Division 8 – Miscellaneous***

1.11 Proposed section 32ZA sets out that an employer will not be liable for anything done in complying with the choice of fund rules. This addresses employers' earlier concerns about potential liability for damages.



## Appendix 5

### List of Committee Reports

#### Reports of the Select Committee on Superannuation

(1991-1998)

- ❑ *Super System Survey* - A Background Paper on Retirement Income Arrangements in Twenty-one Countries (December 1991)
- ❑ Papers relating to the Byrnwood Ltd, WA Superannuation Scheme (March 1992)  
Interim Report on Fees, Charges and Commissions in the Life Insurance Industry (June 1992)
- ❑ First Report of the Senate Select Committee on Superannuation - *Safeguarding Super* - the Regulation of Superannuation (June 1992)
- ❑ Second Report of the Senate Select Committee on Superannuation - *Super Guarantee Bills* (June 1992)
- ❑ *Super Charges* - An Issues Paper on Fees, Commissions, Charges and Disclosure in the Superannuation Industry (August 1992)
- ❑ Third Report of the Senate Select Committee on Superannuation - *Super and the Financial System* (October 1992)
- ❑ *Proceedings of the Super Consumer Seminar*, 4 November 1992 (4 November 1992)
- ❑ Fourth Report of the Senate Select Committee on Superannuation - *Super - Fiscal and Social Links* (December 1992)
- ❑ Fifth Report of the Senate Select Committee on Superannuation - *Super Supervisory Levy* (May 1993)
- ❑ Sixth Report of the Senate Select Committee on Superannuation - *Super - Fees, Charges and Commissions* (June 1993)
- ❑ Seventh Report of the Senate Select Committee on Superannuation - *Super Inquiry Overview* (June 1993)
- ❑ Eighth Report of the Senate Select Committee on Superannuation - *Inquiry into the Queensland Professional Officers Association Superannuation Fund* (August 1993)

- Ninth Report of the Senate Select Committee on Superannuation - *Super Supervision Bills* (October 1993)
- Tenth Report of the Senate Select Committee on Superannuation - *Super Complaints Tribunal* (December 1993)
- Eleventh Report of the Senate Select Committee on Superannuation - *Privilege Matter Involving Mr Kevin Lindeberg and Mr Des O'Neill* (December 1993)
- A Preliminary Paper Prepared by the Senate Select Committee on Superannuation for the Minister for Social Security, *Options for Allocated Pensions Within the Retirement Incomes System* (March 1994)
- Twelfth Report of the Senate Select Committee on Superannuation - *Super for Housing* (May 1994)
- Thirteenth Report of the Senate Select Committee on Superannuation - *Super Regs I* (August 1994)
- Fourteenth Report of the Senate Select Committee on Superannuation - *Super Regs II* (November 1994)
- Fifteenth Report of the Senate Select Committee on Superannuation - *Super Guarantee - Its Track Record* (February 1995)
- Sixteenth Report of the Senate Select Committee on Superannuation - *Allocated Pensions* (June 1995)
- Seventeenth Report of the Senate Select Committee on Superannuation - *Super and Broken Work Patterns* (November 1995)
- Eighteenth Report of the Senate Select Committee on Superannuation - *Review of the Superannuation Complaints Tribunal* (April 1996)
- Nineteenth Report of the Senate Select Committee on Superannuation - *Reserve Bank Officers' Super Fund* (June 1996)
- Twentieth Report of the Senate Select Committee on Superannuation - *Provisions of the Social Security Legislation Amendment (Further Budget and Other Measures) Bill 1996 - Schedule 1* (November 1996)
- Twenty-first Report of the Senate Select Committee on Superannuation - *Investment of Australia's Superannuation Savings* (December 1996)
- Twenty-second Report of the Senate Select Committee on Superannuation - *Retirement Savings Accounts Legislation* (March 1997)
- Twenty-third Report of the Senate Select Committee on Superannuation - *Superannuation Surcharge Legislation* (March 1997)



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- Twenty-fourth Report of the Senate Select Committee on Superannuation - *Schedules 1, 9 & 10 of Taxation Laws Amendment Bill (No. 3) 1997* (June 1997)
  - Twenty-fifth Report of the Senate Select Committee on Superannuation - *The Parliamentary Contributory Superannuation Scheme & the Judges' Pension Scheme* (September 1997)
  - Twenty-sixth Report of the Senate Select Committee on Superannuation - *Super - Restrictions on Early Access: Small Superannuation Accounts Amendment Bill 1997 and related terms of reference.* (September 1997)
  - Twenty-seventh Report of the Senate Select Committee on Superannuation - *Superannuation Contributions Tax Amendment Bills.* (November 1997)
  - *Super Taxing* - An information paper on the Taxation of Superannuation and related matters. (February 1998)
  - Twenty-eighth Report of the Senate Select Committee on Superannuation – *Choice of Fund.* (March 1998)
  - Twenty-ninth Report of the Senate Select Committee on Superannuation - *Superannuation Legislation (Commonwealth Employment) Repeal and Amendment Bill 1997, Commonwealth Superannuation Board Bill 1997, Superannuation Legislation (Commonwealth Employment - Saving and Transitional Provisions) Bill 1997.* (April 1998)
  - Thirtieth Report of the Senate Select Committee on Superannuation - *Workplace Relations Amendment (Superannuation) Bill 1997.* (May 1998)
  - Thirty-first Report of the Senate Select Committee on Superannuation - *Resolving Superannuation Complaints* - options for dispute resolution following the Federal Court decision in *Wilkinson v CARE.* (July 1998)

## **Reports of the Select Committee on Superannuation and Financial Services - 39<sup>th</sup> Parliament**

**(1999 - 2002)**

- ❑ *Choice of Superannuation Funds (Consumer Protection) Bill 1999* (November 1999)
- ❑ *Superannuation Legislation Amendment Bill (No. 4) 1999* (November 1999)
- ❑ *Roundtable on Choice of Superannuation Funds* (March 2000)
- ❑ *Provisions of the Superannuation (Entitlements of Same Sex Couples) Bill 2000* (April 2000)
- ❑ *New Business Tax System (Miscellaneous) Bill No 2 2000* (June 2000)
- ❑ *Financial Sector Legislation Amendment Bill (No 1) 2000* (August 2000)
- ❑ *Interim report on the Family Law Legislation Amendment (Superannuation) Bill 2000* (November 2000)
- ❑ *Taxation Laws Amendment (Superannuation Contributions) Bill 2000* (December 2000)
- ❑ *Family Law Legislation Amendment (Superannuation) Bill 2000* (March 2001)
- ❑ *The opportunities and constraints for Australia to become a centre for the provision of global financial services* (March 2001)
- ❑ *A 'reasonable and secure' retirement? The benefit design of Commonwealth public sector and defence force unfunded superannuation funds and schemes* (April 2001)
- ❑ *Enforcement of the Superannuation Guarantee Charge* (April 2001)
- ❑ *Issues arising from the Committee's report on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000* (May 2001)
- ❑ *Report on the Provisions of the Parliamentary (Choice of Superannuation) Bill 2001* (August 2001)
- ❑ *Prudential supervision and consumer protection for superannuation, banking and financial services - First Report* (August 2001)
- ❑ *Prudential supervision and consumer protection for superannuation, banking and financial services - Second Report - Some case studies* (August 2001)

- *Prudential supervision and consumer protection for superannuation, banking and financial services - Third Report - Auditing of Superannuation Funds* (September 2001)
- *Early Access to Superannuation Benefits* (January 2002)
- *Investing Superannuation Funds in Rural and Regional Australia - An Issues Paper* (February 2002)

### **Reports of the Select Committee on Superannuation - 40<sup>th</sup> Parliament (2002)**

- *Taxation Laws Amendment (Superannuation) Bill (No. 2) 2002, and Superannuation Guarantee Charge Amendment Bill 2002* (June 2002)
- *Taxation Treatment of Overseas Superannuation Transfers* (July 2002)
- *Provisions of the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and Provisions of the Superannuation Legislation Amendment Bill 2002* (September 2002)

