COMMONWEALTH BANKS AMENDMENT BILL 1981

Date Introduced: 26 March 1981
House: House of Representatives
Presented by: The Hon. J.W. Howard, Treasurer

Background

Under the Commonwealth Employees (Redeployment and Retirement) Act of 1981 (CE(RR) Act), there is provision for voluntary and management-initiated retirement of employees. Commonwealth authorities such as the Commonwealth Trading and Savings Banks, do not fall within the ambit of the CE(RR) Act. However, if they so wish, these authorities can be prescribed for the purposes of that Act. The Commonwealth Banks have indicated that they do not wish to be so prescribed for the reasons set out on pages one and two of the Explanatory Memorandum. However, the Banks also indicated that they wish to avail themselves of the same voluntary early retirement provisions contained in the CE(RR) Act.

The Government decided to enable all Commonwealth Banks employees to retire at age 55 on the basis that the Commonwealth Banks Act 1959 be amended to bring it into line with the relevant provisions of the CE(RR) Act. The main purpose of the present Bill is to effect this decision.

The remainder of the Bill is designed to give effect to a number of provisions relating to disclosure of interests by Commonwealth Banks Board members and other minor amendments.

Main Provisions

Early retirement

Clauses 6 and 9 of the Bill which amend sections 102 and 106 of the Principal Act respectively deal with early retirement. Clause 6(a) and (c) specifies minimum and maximum retiring ages of 55 and 65 respectively. It also specifies in clause 6(b) the grounds on which employees aged 55 or more may be redeployed by management or retired, and the means by which redeployment can be implemented.
Clause 9 contains provisions similar to those contained in clause 6 as regards redeployment and retirement, for employees who are not yet 55. However, clause 9 differs from clause 6 in that the latter defines the basis for redeployment as the Corporation's inability to make efficient and economical use of the employee's services, whereas the former refers to inefficiency and incompetence of the employee through causes outside his control. The reasons for the insertion of these criteria are set out on pages nine and ten of the Explanatory Memorandum.

Disclosure of pecuniary interests

Clause 2 of the Bill inserts a new section 24 in the Principal Act and provides that members of the Board or Executive Committee of the Banks must disclose any direct or indirect pecuniary interests in matters being considered by them. Members disclosing pecuniary interests are precluded from being present when matters involving such interests are under consideration by the Board, unless the Executive Committee or the Treasurer determines otherwise. A member declaring pecuniary interests must not be present at deliberations involving consideration of whether that member should be allowed to be participate in the consideration of matters involving pecuniary interests.

Other amendments

Clause 3 amends section 87 of the Principal Act abolishes the Disciplinary Appeal Board, reconstitutes it as the Tenure and Disciplinary Appeal Board, and defines the latter. Superannuation rules referred to elsewhere in the Bill, are also defined.

Under section 89A(1) of the Principal Act, a declaration may be made that an employee who does not perform work as directed, is not to be paid his or her salary (see digest of the Public Service and Statutory Authorities Amendment Bill 1980, number 80/175). Clause 4 of the present Bill provides that where such a declaration has been made in respect of an employee, the period for which that declaration applies will be considered to be included in the employee's length of service for superannuation purposes. However, that period will not be considered to form part of the employee's period of employment.

Clause 5(1) amends section 101 of the Principal Act and empowers the Governor-General to appoint the Chairman of the Promotions Appeal Board for a period not exceeding 3
years, and to terminate such an appointment for the reasons specified. It also provides for the appointee to be eligible for reappointment and to resign voluntarily.

Clause 5(2) enables the present Chairman of the Promotions Appeal Board to continue to occupy that position at the pleasure of the Governor-General.

Clause 7 repeals the requirement for one months notice or salary in lieu for officers retired on the grounds of redundancy contained in the present section 103(3), and clause 14 provides by a new section 110A that officers retired on grounds of redundancy are to be paid such benefits as are prescribed.

Clause 8 repeals a division heading, and clauses 10 and 11 insert division headings.

Clause 12 by amending section 108 of the Principal Act establishes the right of employees to appeal against management decisions to redeploy or retire them on the grounds specified in the proposed revised section 102(2) of the Principal Act, or on the grounds of their being excess to requirements.

Clause 13(a) amends section 109 of the Principal Act to change the name of the Disciplinary Appeal Board to the Tenure and Disciplinary Appeal Board.

Clause 13(b) provides for the appointment and reappointment of a Chairman of the Tenure and Disciplinary Appeal Board for a period not exceeding 2 years. It also allows the Chairman to be dismissed on specified grounds or to resign voluntarily.

Clause 13(c) provides that the appointment by the Managing Director of the Corporation of a member to the Tenure and Disciplinary Appeal Board, is at the Managing Director's pleasure.

Clause 14 inserts a new section 110A. Sub-section (1) provides for the making of regulations for the payment of such benefits as may be prescribed to officers retired under section 102(2)(b) or section 103(2).

Section 110A(2) provides for the payment of different benefits to different classes of employee when payments are made in the form of lump sums. Where employees aged between 55 and 60 are retired under section 102(2), it is provided that the lump sum benefits be the same as those paid to public servants under the Commonwealth Employees (Redeployment and Retirement) Act 1979.
Section 110A(3) authorises the making of regulations enabling employees to elect to have their retirement benefits paid either as lump sums or pensions, and section 110A establishes machinery for the payment of pension benefits.

Clause 15 provides for certain drafting and other changes to the Principal Act as set out in Schedule attached to the Bill.

As noted above, under clause 13 the Disciplinary Appeal Board is abolished and replaced by the Tenure and Disciplinary Appeal Board. Clause 16 deals with transitional arrangements for the period between when the Disciplinary Appeal Board is abolished and when appointments are formally made to the Tenure and Disciplinary Appeal Board. Essentially, these arrangements allow for existing appointments and activities to be carried over to the new Board.

For further information, if required, contact:

Finance, Industries, Trade & Development Group
7 April 1981
LEGISLATIVE RESEARCH SERVICE