Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015

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House: House of Representatives
Portfolio: Finance
Commencement: To be fixed by Proclamation, but will commence no later than the day after six months after Royal Assent.

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill’s home page, or through the Australian Parliament website.

When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website.
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Purpose of the Bill

The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 (the Bill) amends the Governance of Australian Government Superannuation Schemes Act 2011 (Governance Act) and other legislation, and repeals the ComSuper Act 2011 to merge ComSuper (the provider of administration services for Australian Government civilian and military employee superannuation schemes) with the Commonwealth Superannuation Corporation (CSC) (the trustee for the same superannuation schemes).

The Bill also amends the Governance Act and the Superannuation Act 2005 to enable the deduction of administration fees from members of the Public Sector Superannuation accumulation plan (PSSap) scheme, rather than having these paid by the Commonwealth on behalf of scheme members.

Background

The Government’s ‘smaller government’ agenda and proposed governance and administration arrangements

The merger of ComSuper with the CSC is part of the Government’s broader agenda to ‘to reduce duplication, improve coordination and increase efficiency in how public funds are used to deliver services to the community’. As noted in the Explanatory Memorandum, the merger is expected to deliver savings of $0.5 million per annum. The proposed merger was included as a measure in the 2014–15 Budget as part of a ‘mass consolidation and abolition of government bodies’. There was already some streamlining, with changes made under the Labor Government in 2011 when the then three trustees of the Australian Government’s civilian and military superannuation schemes were merged to form CSC.

The Government’s ‘smaller government’ policy was influenced by the National Commission of Audit, which was commissioned following the 2013 election to examine options for greater efficiencies in the Australian Government including the consolidation of agencies and boards and rationalising the service delivery footprint. In the Commission of Audit’s first report, it recommended that ‘consideration should be given to consolidating ComSuper into the Commonwealth Superannuation Corporation’. Apart from its specific mention of ComSuper, the Commission of Audit’s recommendations included abolishing seven bodies, merging 35 bodies, consolidating 22 bodies into departments and agencies; potentially privatising nine bodies and reassessing the operations and continuing need for 26 other bodies.

The basis of the Commission of Audit’s recommendations was an assessment that:

There are too many government bodies in Australia. This leads to duplication and overlap, unnecessary complexity, a lack of accountability, the potential for uncoordinated advice and avoidable costs.

Changes made to date under the Government’s ‘smaller government’ policy, have included a number of mergers, abolitions and privatisations. These changes have been announced in three stages:

• post 2013 election — announced changes included the commencement of the Medibank Private sale process, the merger of AusAID into the Department of Foreign Affairs and Trade, the abolition of 23 non-statutory advisory bodies including: the Social Inclusion Board, the Australian Animals Welfare Advisory Committee, the Commonwealth Firearms Advisory Council and the National Intercountry Adoption Advisory Board.

7. Ibid., p. 206.
8. Ibid., p. 204.
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Group, and the merger of the Grape and Wine Research and Development Corporation and Wine Australia to create the Australian Grape and Wine Authority.

- 2014–15 Budget — announced changes included the abolition of the Abalone Aquaculture Health Accreditation Workshop and the Albury-Wodonga Development Corporation, the merger of the Australian Customs and Border Protection Service into the Department of Immigration and Border Protection and scoping studies into the possible privatisation of several government bodies: Defence Housing Australia, the Royal Australian Mint, Australian Hearing and the Registry function of the Australian Securities and Investments Commission and

- 2014–15 Mid-year Economic and Fiscal Outlook — announced changes included the consolidation of the Australian Government Solicitor within the Attorney-General's Department and the introduction of shared services arrangements for some current standalone bodies such as the Australian Sports Anti-Doping Authority and the National Health and Medical Research Council.

The Government has indicated that a fourth stage of smaller government reforms will be announced in the 2015–16 Budget. This will include decisions after consideration of scoping studies initiated in the 2014–15 Budget.

**Current governance and administration arrangements for Australian Government superannuation schemes**

**Commonwealth superannuation schemes**

There are a number of superannuation schemes covering current and former Commonwealth public servants. Most of these are ‘defined benefit’ schemes that are closed to new entrants. These schemes include:

- the Public Sector Superannuation accumulation plan (PSSap) scheme — the PSSap was established in 1 July 2005 by the *Superannuation Act 2005*. As at 30 June 2014, there were around 130,000 members in the PSSap

- Military Superannuation and Benefits Scheme (MSBS) — the MSBS was established on 1 October 1991 under the *Military Superannuation and Benefits Act 1991 (MSBS Act)*. The MSBS will close to new members on 30 June 2016. As at 30 June 2014, there were around 164,000 members in the MSBS

- Public Sector Superannuation (PSS) scheme — the PSS was established under the *Superannuation Act 1990*. The PSS was closed to new members on 30 June 2005. As at 30 June 2014, there were around 235,000 members in the PSS

- Commonwealth Superannuation Scheme (CSS) — the CSS was established under the *Superannuation Act 1976*. The CSS was closed to new members on 1 July 1990. As at 30 June 2014, there were around 127,000 members in the CSS

- Defence Force Retirement and Death Benefits (DFRDB) scheme — the DFRDB scheme was established by the *Defence Force Retirement and Death Benefits Act 1973 (DFRDB Act)*. The DFRDB scheme was closed to new entrants on 1 October 1991. As at 30 June 2014, there were around 56,000 members in the DFRDB scheme

- Defence Forces Retirement Benefits (DFRB) scheme — the DFRB scheme is established under the *Defence Forces Retirement Benefits Act 1948 (DFRB Act)* and was closed to new contributors from 30 September 1972. Members who were contributors to DFRB on 30 September 1972 were compulsorily transferred to DFRDB on 1 October 1972. As at 30 June 2014, there were around 3,100 pensions paid under the DFRB scheme

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10. Ibid.
12. Ibid., p. 3.
13. Ibid.
14. In simple terms, a defined benefit-style super scheme means that person’s super benefit will generally be determined by a formula. That formula is usually based on a combination of factors including: an employee’s average salary, years of work leading up to retirement and a person’s age. In comparison, accumulation-style superannuation involves the contributions made to a person’s account being invested so as to generate earnings which may be positive or negative. Many superannuation schemes have both a defined benefit component and an accumulation component.
• Papua New Guinea (PNG) superannuation scheme — the PNG scheme is a closed scheme and provides retirement benefits for employees of the administration of the Territory of Papua and New Guinea under the Papua New Guinea (Staffing Assistance) Act 1973 (PNG Act). As at 30 June 2014, there were 175 pensions paid under the PNG scheme and

• 1922 scheme — the 1922 scheme is a closed scheme and is governed by the Superannuation Act 1922. Contributors under this Act were compulsorily transferred to the CSS on 1 July 1976. However, the 1922 scheme still provides for the payment of pensions that were in force at 1 July 1976, deferred benefit entitlements and any reversionary pensions that became payable. As at 30 June 2014, there were around 3,600 pensions paid under the 1922 scheme.15

The legislation covering each scheme includes references to the roles and functions of the Commonwealth Superannuation Corporation (CSC) and ComSuper.

Commonwealth Superannuation Corporation

The CSC, established by the Governance of Australian Government Superannuation Schemes Act 2011, is the trustee for nine Australian Government superannuation schemes. These include the CSS, DFRDB scheme, the MSBS, the PSS and the PSSap.16

While the CSC is the trustee for these schemes, the administration and investment functions for these schemes are formally separate and are undertaken by ComSuper.

As at 30 June 2014, the CSC employed around 80 staff.17 CSC staff are not public servants employed under the Public Service Act 1999. Rather, employees are engaged under terms and conditions determined by the CSC board.18

ComSuper

ComSuper is a Commonwealth entity established under the ComSuper Act 2011.19 ComSuper provides superannuation administration services under authority from the CSC for the various Commonwealth schemes.20

The services ComSuper provides or is responsible for include:

• collection of member contributions and maintenance of member accounts
• payment of lump sum and pension benefits
• member communications
• accounting services
• dispute resolution and
• secretariat support functions.21

As at 30 June 2014, ComSuper employed 482 staff.22 While ComSuper directly provides administration services for most of the superannuation schemes, services relating to the PSSap scheme were outsourced in February 2012 to Pillar Administration (an entity owned by the NSW Government).23

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**PSSap scheme arrangements**

The PSSap is an accumulation superannuation scheme and is the default superannuation scheme in which Commonwealth public servants who commenced employment after 1 July 2005 are able to join. It is not mandatory to join PSSap, new employees are able to choose a fund in a similar way to most private sector employees. The CSC is responsible for the administration of the fund in accordance with the PSSap Trust Deed.24

The value of employer contributions in 2013–14 to the PSSap was around $1 billion and member contributions in the same year was around $20 million.25 PSSap members have some choice of investment options within the fund and are able to switch investment strategies at any time by changing the share allocated to the categories of ‘cash’, ‘income focused’, ‘MySuper balanced’, ‘Balanced (Ancillary members only)’ and ‘aggressive’. Members are able to switch strategies up to two times per year for zero cost, after which a switch costs $20.26

Returns for individual fund members will depend on the investment options they have chosen. For those choosing the default option (or those not choosing any option and therefore remaining in the default option), returns over recent years have varied significantly (Table 1).

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–10</td>
<td>9.0</td>
</tr>
<tr>
<td>2010–11</td>
<td>7.3</td>
</tr>
<tr>
<td>2011–12</td>
<td>2.4</td>
</tr>
<tr>
<td>2012–13</td>
<td>13.7</td>
</tr>
<tr>
<td>2013–14</td>
<td>11.5</td>
</tr>
</tbody>
</table>


It is important to note that these investment results for members of the PSSap do not have any fees deducted for the administration of the scheme.

**Introduction of administration fees for PSSap members**

Under existing arrangements, PSSap members do not pay any administration fees relating to the administration or operation of the scheme. However, fees are incurred in relation to investment management and switching investment options.27

The PSSap scheme was established to cater for superannuation arrangements for Commonwealth public servants employed from 1 July 2005 following the closing of the Public Sector Superannuation scheme to new members at the same time. Parliamentary debate in 2005 for the legislation establishing the scheme did not include many references to the absence of administration fees. However, one member of the then opposition—Senator Sherry—notes that the absence of such fees provided an advantage to members:

> One other aspect of this is that the government has agreed to pay the administration costs. The new employees in the public sector accumulation fund will receive not only the 15.4 per cent contribution from the employer but also, effectively, those investments of the management and administration fees being paid by the appropriate government department. In that sense it is a very generous arrangement for new employees going forward, albeit in the form of an accumulation rather than a defined benefit.28

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In the 2014–15 *Mid-Year Economic and Fiscal Outlook*, the Government announced that it would require PSSap members to pay administration fees from 2015–16, with the level of fees to be determined by the CSC.\(^9\) The Government noted that this policy ‘will bring [PSSap] into line with private sector superannuation funds where members pay for the administration of their accounts’.\(^{10}\)

**Impact of the introduction of administration fees on PSSap members**

The financial impact of imposing administration fees is estimated to save the budget $26.8 million over the four years from 2015–16.\(^{31}\) Assuming these savings are even across all of these years, the administration fee per PSSap member in 2015–16 is in the order of $51.50.\(^{32}\) This amount would be at the lower end of administrative fees imposed on default superannuation products by other superannuation funds, which were found for December 2013 to range from between $52.10 per member per year to $83.07 per member per year.\(^{33}\)

Information provided by ComSuper in response to questions on notice at the recent 2014–15 additional estimates hearings put the value of PSSap administration fees for 2014–15 paid by the employer agencies at $118 per contributing member and $86 for a preserved member.\(^{34}\)

**Committee consideration**

The Bill was referred to the Senate Finance and Public Administration Committee for inquiry and report by 7 May 2015.\(^{35}\) Details of the inquiry are at the [Committee’s inquiry homepage].\(^{36}\)

In its report, the Committee recommended that the Senate pass the Bill.\(^{37}\) In their additional comments, Labor Senators raised their concern about mobility rights for ComSuper staff, considering that there was ‘value’ in an amendment to the Bill to ensure mobility rights for ComSuper staff to move back into the Australian Public Service (APS).\(^{38}\)

**Senate Standing Committee for the Scrutiny of Bills**

The Senate Standing Committee for the Scrutiny of Bills made three comments on the Bill relating to:

- a ‘Henry VIII clause’ that potentially allows the Minister to modify the operation of certain Acts by making rules—the Committee left the question open about whether the proposed approach is appropriate to the Senate as a whole and

- the delegation of legislative power in relation to provisions about the first instrument amending the trust deed being not subject to disallowance and that the first instrument amending the Trust Deed may take effect before the date the instrument is registered—the Committee made no further comment on these two matters in light of the explanations made in the Explanatory Memorandum.\(^{39}\)

**Parliamentary Joint Committee on Human Rights**

The Parliamentary Joint Committee on Human Rights had no comment on the Bill.\(^{40}\)

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\(^9\) Australian Government, *Mid-year economic and fiscal outlook 2014–15*, December 2014, p. 145. This measure was included as a ‘decision taken but not announced in the 2014–15 budget and therefore appears as having a zero benefit over the forward estimates in the *Mid-year economic and fiscal outlook*.

\(^10\) Ibid.

\(^31\) Explanatory Memorandum, op. cit., p. 6.

\(^32\) This is calculated by dividing the estimated annual savings ($26.8 million over four years equals $6.7 million per year) by the number of PSSap members as at 30 June 2014 (130,112) (CSC 2013–14 annual report, p. 58).


\(^38\) Ibid., p. 11.


Policy position of non-government parties/independents

None identified in relation to this Bill.

Position of major interest groups

The Community and Public Sector Union (CPSU) has raised some concerns about both the proposed merger of the CSC and ComSuper as well as the imposition of administration fees on PSSap members. The CPSU is opposed to the imposition of administration fees on PSSap members, which it considers will have a detrimental impact on the retirement income of members of the scheme.41 The CPSU is also concerned about the compulsory transfer of staff from the public service in ComSuper to the CSC and the maintenance of existing workplace terms and conditions.42

Financial implications

The Explanatory Memorandum notes that the merger of ComSuper with the Commonwealth Superannuation Corporation is expected to deliver savings of $0.5 million per year.43 The imposition of administration fees on PSSap members is estimated to save $26.8 million over the four years from 2015–16.44

Statement of Compatibility with Human Rights

As required under Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011 (Cth), the Government has assessed the Bill’s compatibility with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of that Act. The Government considers that the Bill is compatible.45

Key issues and provisions

The Bill includes a commencement provision for Schedule 1 for a day or days to be fixed by proclamation. The planned date for the CSC and ComSuper merger is 1 July 2015.46

ComSuper’s portfolio budget statements include a number of performance indicators that relate to service standards in administering the superannuation schemes.47 There are no separate indicators for the PSSap. The levels for each of these quality indicators is set at a constant level for the period to 2017–18. An indication about quality of service for the merged CSC may be available from the CSC’s portfolio budget statements in the 2015–16 Budget. These may serve as a qualified proxy for the level of service of the merged CSC. The level of service is of course distinct from the quality of service.

Schedule 1—Merger of the Commonwealth Superannuation Corporation and ComSuper

Part 3 of Schedule 1 provides for the repeal of the ComSuper Act 2011 (item 65). The repeal of this Act effectively dissolves the entity ComSuper.

Part 1 of Schedule 1 provides necessary amendments to the Governance Act for the merger of ComSuper into the CSC.

CSC special account and making and receiving payments

Item 1 inserts the definition of ‘Account’ into the Governance Act to be the ‘CSC Special Account’ to be established by new section 29E.48

Item 2 inserts new sections 29A to 29G that relate to the establishment of the CSC Special Account, the purposes of the account and provisions for the CSC to make and receive payments or other amounts on behalf of the Commonwealth and recover debts owing to the Commonwealth. The provisions relating to the special account essentially replicate similar arrangements that were included in the ComSuper Act.

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42. Ibid.
43. Explanatory Memorandum, op. cit., p. 6.
44. Ibid.
45. The Statement of Compatibility with Human Rights can be found at page 6 of the Explanatory Memorandum to the Bill.
Item 3 repeals existing section 32, which exempts the CSC from taxation except for specific Commonwealth laws, and inserts proposed section 32. This proposed section largely reflects the arrangements in the repealed section and facilitates the tax exempt status of payments that the Commonwealth provides to CSC for administration services. 49

Items 4 to 7 amend section 34 which deals with the source of funds for the payment of remuneration and allowances to the CSC chair and other directors. The intent of the amendments is to simplify the arrangements by removing a special appropriation and having these payments come from the CSC special account. The amendments do not affect the allowances and remuneration of directors. 50

Delegations

Items 8 to 12 amend section 36 of the Governance Act which deals with delegation by the CSC. The revised delegations:

• remove references to the CEO of ComSuper or a member of the staff of ComSuper (these are redundant on the merger) and

• provide that the specified limitations on the delegation of power to review CSC decisions do not apply in relation to decisions involving the recovery of debts owing to the Commonwealth.

Consequential amendments to legislation governing individual superannuation schemes

Part 2 of Schedule 1 makes consequential amendments to the legislation covering the various superannuation schemes previously administered by ComSuper to reflect that this function will be carried out by the CSC. These provisions relate to references to ComSuper (or the chief executive of ComSuper) and reporting arrangements for recoverable payments and recoverable death payments. The Acts to be amended are:

• the DFRDB Act
• the MSBS Act
• the PNG Act
• the Superannuation Act 1976
• the Superannuation Act 1990
• the Superannuation Act 2005 and
• the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Act 2008. 51

Schedule 2—Transitional provisions relating to the CSC and ComSuper merger

Schedule 2 contains various transitional and savings provisions to facilitate the merger of ComSuper into CSC.

Assets, liabilities, legal proceedings and replacing ComSuper with CSC in other laws

These cover the vesting of assets and liabilities from ComSuper to the CSC and the substitution of the CSC for ComSuper as a party to pending legal proceedings (Schedule 2 Part 2). The Schedule also ensures that any action taken in the merger, such as the vesting of assets in the CSC, is exempt from stamp duty and other Commonwealth and state or territory taxes and for references, or operation of laws in relation to ComSuper (or the CEO of ComSuper) to be regarded as if they were references to the CSC.

Arrangements for ComSuper staff

Part 4 of Schedule 2 deals with arrangements relating to the transfer of ComSuper staff to the CSC. As noted previously, this essentially involves ComSuper staff moving out of the public service and into an environment more like the private sector, where the terms and conditions are generally determined by the individual employer.

49. Explanatory Memorandum, op. cit., p. 11.
50. Ibid.
51. This Act provided the same-sex partner of a beneficiary in a Commonwealth (defined benefit) superannuation scheme direct access to reversionary death benefits on the death of the beneficiary. The Act provides the power for the CEO of ComSuper to recover payments if required.
**Item 10** provides that the CEO of ComSuper ceases to hold this office at the commencement of the merger.

**Items 11** puts into place arrangements so that ComSuper staff transferring to CSC will carry with them their accrued benefits (such as annual leave) and continuity of service to the CSC. **Item 12** provides that ComSuper staff (and former ComSuper staff) who suffered an injury prior to the merger will be treated as employees of the CSC for the purposes of the *Safety, Rehabilitation and Compensation Act 1988*. **Item 14** also provides for the terms and conditions relating to staff under the ComSuper enterprise agreement to continue to apply on transfer to the CSC.

While the CPSU welcomed these arrangements, the CPSU noted in its submission to the Senate Finance and Public Administration Committee that ComSuper employees would lose entitlements under the APS mobility arrangements and paid maternity leave entitlements.\(^52\) The CPSU suggested that entitlements to these arrangements should be reinstated for the ComSuper employees.\(^53\)

A provision to enable re-entry into the APS was raised by ComSuper in its submission to the Committee, noting that:

> In relation to future employment opportunities within the APS for ComSuper staff affected by the provisions of the Bill, there are some ComSuper staff for whom opportunities to re-enter the APS are important. Amendment to enable APS re-entry would be likely to be viewed beneficially by these staff.\(^54\)

However, the Public Service Commissioner did not support the retention of mobility arrangements, noting that this ‘would set an unwelcome precedent for any future transfer of employees out of the APS’.\(^55\)

In relation to the loss of maternity benefits, the CSC noted in its submission to the Committee that the CSC Board would make a determination so that transferring ComSuper staff would have the equivalent terms and conditions, including for maternity leave, as they had immediately prior to the merger.\(^56\)

**Other provisions**

**Item 15** of Schedule 2 provides that reports that were required of the CEO of ComSuper will be required to be provided by the CSC following the merger. These provisions would apply to the period prior to the merger. For example, assuming a merger occurred prior to July 2015, then the CSC would provide reports required from the CEO of ComSuper for the relevant period relating to the operations of ComSuper, such as the financial year 2014–15.

**Parts 6** and **7** include a number of miscellaneous provisions that facilitate the merger, covering issues such as saving existing delegations, a constitutional safety net for the acquisition of property, transfer of custody of records and the transfer of funds from the ComSuper Special Account to the CSC Special Account.

These provisions include **item 22**, which provides a rule-making power for the Minister, by legislative instrument, to provide detailed rules about transitional and other matters. This provision was examined by the Senate Scrutiny of Bills Committee, which noted that page 33 of the Explanatory Memorandum included a description about these arrangements:

> This may be considered a ‘Henry VIII clause’ in that it may potentially allow the Minister to modify the operation of the [Acts listed in **item 22**] by making rules. That is, it may result in the operation of primary legislation being expressly or impliedly amended by subordinate legislation. This provision is included to allow the Minister to deal with any unintended or unforeseen consequences for CSC employees or transferring ComSuper staff arising out of the transfer of employment arrangements. The intention is that, to the extent possible and practical, there is no enhancement or reduction in the accrued entitlements of CSC employees and transferring ComSuper staff. Where a

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52. Community and Public Sector Union, op. cit., p. 2.
53. Ibid.
As previously noted, the Senate Scrutiny of Bills Committee did not make any conclusions about this provision and left open the question of whether the proposed approach is appropriate to the Senate as a whole.58

**Schedule 3—Imposition of administration fees on accounts of PSSap members**

**Item 1 of Schedule 3** repeals existing subsection 34(3) from the *Governance Act* to remove a provision that provides for PSSap funds to be used as a source as prescribed by regulations for the payment of remuneration and allowances for the chair and other directors of the CSC.

**Item 2** inserts a note at the end of existing subsection 32(2) of the *Superannuation Act 2005* pointing out that the making of certain legislative instruments is subject to section 34 of that Act.59

Under existing arrangements, section 34 of the *Superannuation Act 2005* provides for a Ministerial determination to be made to prescribe the allocation of costs for the administration of the Act between PSSap members and the Commonwealth. These arrangements are prescribed in the *Superannuation (PSSAP) (Division of Costs) Determination 2005*, which specifies that the Commonwealth is responsible for all administrative costs other than those specified in Schedule 1 to the Determination (which sets out the costs to be paid by the CSC from the PSSap fund).60

**Item 3** repeals existing section 34 to 36 of the *Superannuation Act 2005* and inserts new section 34 (costs of administration of Act et cetera). This new section specifically provides that the costs of the administration of the Act and the trust deed (including costs of and incidental to) the management of the PSSap are to be paid by the CSC in accordance with the trust deed. The inclusion of a constitutional safety net by proposed subsections 34(3), 34(4) and 34(5) are part of a standard clause that protects legislation from invalidity if the operation of any of its provisions is held to result in the acquisition of property within the meaning of paragraph 51(xxxi) of the *Constitution*.61

**Item 4** provides that an amendment to the trust deed, if it relates to solely to the costs of the administration of the *Superannuation Act* as amended by this Schedule of the Bill and if it is the first amendment to the trust deed made on or after the day this item commences, is not a disallowable instrument under the *Legislative Instruments Act 2003*. This effectively provides that neither the House of Representatives nor the Senate are able to prevent an instrument that implements the payment of administration fees by PSSap members from coming into effect, assuming the Bill passes the Parliament.

**Concluding comments**

The merger of ComSuper into the CSC is part of the Government’s broader agenda to reduce the number of government agencies as a way of simplifying governance arrangements, improving administrative efficiency and reducing administration costs. The merger is not intended to affect the superannuation benefit design of members of Commonwealth superannuation schemes and may be viewed largely as a machinery of government change.52 For ComSuper employees however, the merger may affect the APS mobility entitlements they currently have as Commonwealth public servants.

The imposition of administration fees on members of the PSSap scheme will adversely impact on the retirement savings of members of the scheme. However, it is difficult to argue against the change, as it brings the PSSap scheme more in line with private sector arrangements.

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57. Explanatory Memorandum, op. cit., p. 33.
58. Senate Scrutiny of Bills Committee, op. cit., p. 33.
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