

COAL INDUSTRY SUPERANNUATION AMENDMENT BILL 2004

EXPLANATORY MEMORANDUM

This Bill seeks to give the Coal Industry Superannuation Board the ability to be competitive with other superannuation funds through being able to provide for spouse accounts and allocated pensions. The Bill also implements the legislative amendments recommended in the "Review of the Coal Industry Superannuation Board and the *Coal Industry Superannuation Act 1989*".

The significant changes are:

Long Title (Bill Clause 3, Act Section 1)

The Bill simplifies the long title.

Reciprocating States (Bill Clause 4, Act Section 5)

Redundant provision removed by repealing Section 5 of the Act.

Spouse Accounts and Membership Categories (Bill Clause 5, Act Section 9)

Act amended to allow the spouses of Fund members the facility to open accounts with the Fund if they so wish. This facility, which is available in most superannuation funds, will allow those members with low income spouses to take advantage of the Federal Government's tax rebates including the newly introduced co-contribution initiative.

Board Functions and Powers (Bill Clause 6, Act Section 10)

The amendments will allow the Board to promote and market the Fund, its products and services as well as conduct research and produce information. In addition, the amendments to this section have been updated to allow the Board to recover money owing to the Fund and carry out its functions in a more practical manner.

Appointment of Actuary (Bill Clause 7, Act Section 20)

Act amended to be consistent with the Federal *Superannuation Industry Supervision Act 1993*.

Officers of the Board (Bill Clause 8, Act Section 21)

Minor grammatical change.

Assistance from the State Government (Bill Clause 9, Act Section 22)

Section to be repealed as recommended by the National Competition Policy Review. There is no practical impact as the Coal Industry Superannuation Fund does not receive assistance from the State Government.

Unclaimed Money Act (Bill Clause 10, Act Section 29A)

Explicit statement included in the Act to be consistent with the Federal *Superannuation Industry Supervision Act 1993*.

Regulations (Bill Clause 11, Act Section 31)

Amendments simplify wording and allow for spouse members in the Fund.

Review of Act (Bill Clause 12, Act Section 32)

Amendment of the Act to provide for a review of the Act every 5 years.

Employers (Bill Clause 13, Act Schedule 1)

Amendment to Schedule 1 to reflect the change of name of one of the participating employers from Western Collieries Ltd to Wesfarmers Premier Coal Ltd.

Board Meetings (Bill Clause 14, Act Schedule 2)

New subclause inserted to allow the Board to meet via telephone, audio-visual link up or any other form of instantaneous communication.

Interpretation (Bill Clause 15, Act Schedule 3)

Removal of reference to previous fund.