



## PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE RT HON. WILLIAM  
McMAHON, CH. MP, IN THE HOUSE OF REPRESENTATIVES,  
CANBERRA

### NATIONAL RETIREMENT BENEFITS

19 October 1972

I wish to announce to the House the terms of reference for a committee of enquiry into the best way of abolishing the means test over the next three years and of responsibly financing this significant measure in association with the possible introduction of a national superannuation scheme.

The Government's decision to introduce means-test-free pensions for people aged 65 and over represents a major social advance with considerable financial, economic and social implications.

We accordingly announced in the 1972-73 Budget speech our decision to appoint a committee of enquiry to examine and report on these matters, including the question of how the proposal for means-test-free pensions could be responsibly financed with particular reference to national superannuation.

As announced in the 1972-73 Budget speech, the Government is committed to abolition, within the next three years, of the means test on age pension eligibility for residentially qualified men and women aged 65 years and over.

The Government has also decided that the free-of-means test pension will be subject to tax but, following past practice, provision will be made to exempt or partially relieve from taxation persons in the lower income groups receiving free-of-means test pension.

In addition, the Government has determined that eligibility for supplementary assistance and for Commonwealth ancillary pension benefits will be conditional, as now, on satisfaction of the relevant special means test.

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The terms of reference of the committee will be :

"Having in mind the policy of the Government to abolish the means test within the next three years on age pension eligibility for residentially qualified men and women aged 65 years and over, as announced in the 1972 Budget speech, to report on -

1. Matters involved in the implementation of the abolition of the means test in accordance with the Government's announcement as set out in the Treasurer's 1972-73 Budget speech.
2. Appropriate ways and means of financing the free-of-means test retirement benefits associated with a possible national superannuation scheme, including -
  - (a) the type of national superannuation;
  - (b) the persons to be covered;
  - (c) whether the scheme of national superannuation should be voluntary or compulsory.
3. The relationship of the new free-of-means test retirement benefits and national superannuation (if any) to private schemes and to life assurance.
4. The method of adjusting the new benefits over time.
5. The taxation treatment of the new benefits.
6. Methods of making the administration of the new scheme as simple as possible.
7. Any associated matters that the committee considers relevant to the objective of the enquiry. "

I am glad to be able to announce that the committee of three to enquire into these matters will be under the Chairmanship of Sir Leslie Melville, K.B.E., C.B.E. With him as members of the committee will be MR T.P.Scott and MR J.E.M.Dixon. On behalf of the Government, I express our thanks to these gentlemen for agreeing to undertake this important and substantial task.

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