



MR YEENEL

PRIME MINISTER

FOR PRESS:

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D.F.R.B. AND SUPERANNUATION ENQUIRIES

Statement by the Prime Minister, the Rt. Hon. William
McMahon, C.H. MP.

On 26 October 1972, I made a statement in the House of Representatives on the outcome of the Government's consideration of the Report of the Joint Select Committee on Defence Forces Retirement Benefits Legislation.

In the course of this statement I announced that the Government had decided to arrange for independent expert investigation in respect of two matters arising from the Report. The tasks are to enquire into and report on:

- . whether it is practicable to transfer, in an equitable way and without detriment to any of them, Pre-1959 and Post-1959 D.F.R.B. contributors to a new, simple and readily comprehensible, D.F.R.B. scheme; and
- . methods of adjusting after retirement pensions payable under the D.F.R.B. and Commonwealth Superannuation Acts.

The two aspects are quite distinct and the Government has therefore decided that the enquiries should be conducted separately. Terms of Reference for each enquiry have now been determined and are attached.

The enquiries are complicated and technically difficult and the Government has decided that each enquiry should be conducted by one expert assisted as necessary by assessors.

2.

The D.F.R.B. transfer enquiry will be conducted by Mr. J.G. Rutherford, the Queensland State Actuary and Insurance Commissioner.

The pensions adjustment enquiry will be conducted by Professor A.H. Pollard, who is the Director of Actuarial Studies and the Head of the School of Economics and Financial Studies at Macquarie University, Sydney.

CANBERRA,

6 November 1972

ATTACHMENT "A"

ENQUIRY INTO TRANSFER OF PRE-1959 AND POST-1959 D.F.R.B.

CONTRIBUTORS TO A NEW D.F.R.B. SCHEME

- TERMS OF REFERENCE

Bearing in mind the Government's objective of a simple, readily comprehensible D.F.R.B. scheme, enquire into and report on:

- (1) a method or methods of transferring in an equitable way and without detriment to any of them, Pre-1959 and Post-1959 D.F.R.B. contributors to a new D.F.R.B. scheme;
- (2) the provision to be made in the transfer arrangements to ensure that existing contributors would not be disadvantaged in such a new scheme, bearing in mind the Government's assurance on 20 September 1972 that they would have a right of election;
- (3) the broad framework of the legislation necessary to incorporate the detailed arrangements for implementing the conclusions arising from (1) and (2) above; and
- (4) the financial implications of (1) and (2) for
 - (a) the D.F.R.B. Fund; and
 - (b) the Consolidated Revenue Fund.

ATTACHMENT "B"

ENQUIRY INTO ADJUSTMENT OF D.F.R.B. AND
COMMONWEALTH SUPERANNUATION PENSIONS
AFTER RETIREMENT

- TERMS OF REFERENCE

- (1) Identify and evaluate the criteria in accordance with which D.F.R.B. and Commonwealth Superannuation Fund and similar type pensions could appropriately be adjusted in changing economic circumstances.
- (2) Enquire into and report on:
 - (a) methods of adjusting pensions payable under the Defence Forces Retirement Benefit Act and Superannuation Act;
 - (b) the nature and extent of any problems and inequities associated with the use of each adjustment method;
 - (c) the inter-relationships between the various Commonwealth Superannuation pension schemes and how these inter-relationships might be affected by the application of the various adjustment methods to D.F.R.B. and Superannuation pensions; and
 - (d) the financial implications of each of the possible methods for, in particular,
 - (i) the D.F.R.B. Fund and Superannuation Fund; and
 - (ii) the Consolidated Revenue Fund.