

Second Reading

The Hon. HENRY TSANG (Parliamentary Secretary) [8.14 p.m.], on behalf of the Hon. Eric Roozendaal: I move:
That this bill be now read a second time.

I seek leave to incorporate the second reading speech in *Hansard*.

Leave granted.

The First State Superannuation Amendment Bill 2008 introduces amendments to the First State Superannuation Act 1992.

This Act governs superannuation arrangements for New South Wales public sector employees recruited since December 1992.

Employers are generally required, under the Act, to make superannuation contributions of 9 per cent of salary to these employees.

The bill will not affect most employees under the Act.

Their superannuation contributions will be paid by their employer just as before.

The bill only applies to some members of two groups of employees if their employment is prescribed in the regulations.

The first group of employees is one-off short-term employees earning less than a specified amount in a month.

The second group is employees over the age of 70.

The bill addresses the concerns of these employees, by allowing the payment of the 9 per cent amount to some of them as an additional part of salary, instead of as a contribution to superannuation.

I begin with arrangements for one-off short-term employees.

Employers under the First State Superannuation Act are generally required to make superannuation contributions for every dollar earned by the employee.

In contrast, the Commonwealth Superannuation Guarantee legislation only requires that employers make superannuation contributions for their employees earning \$450 or more in that month.

The bill targets the concerns of some staff, such as those engaged on a one-off basis at State elections.

Some staff have raised the issue of the undue red tape involved and the erosion of the small amount of superannuation received by fund fees and premiums.

Honourable members will join me in acknowledging the enormous effort of some 19,000 polling day staff at the last State elections.

Many were either retirees or students.

Most received a superannuation contribution for that employment of about \$30.

The New South Wales Electoral Commission found significant administrative problems and costs in making these payments as superannuation contributions.

Polling staff also suggested to the Government that it would be better if the 9 per cent amount was paid to them as salary.

The bill allows payment of the 9 per cent contribution amount as an additional amount of salary, rather than as a contribution to superannuation, if the employment is prescribed in the regulations.

The bill restricts such payments to where the employee's complete salary or wages for that employment, inclusive of the additional 9 per cent amount, is less than \$450 in that month.

This is to ensure compatibility with the Commonwealth's superannuation guarantee legislation, which requires employers to make a superannuation contribution if the employee's salary or wages is \$450 or more in a month.

I now turn to arrangements for employees over the age of 70.

Alternative payment arrangements are needed because Commonwealth superannuation regulation prevents superannuation funds from accepting employer contributions on behalf of employees over the age of 70 except in special circumstances.

To maintain equity for employees aged over 70, the lemma Government has a longstanding policy requiring public service employers to pay the 9 per cent contribution amount as an additional part of salary.

The bill recognises the increasing number of workers over the age of 70.

It allows the lemma Government to extend its policy to employees under the Act who are over the age of 70.

A regulation may provide they receive the 9 per cent amount as salary.

This bill will not affect most employees under the Act.

It allows payments to employees over the age of 70 on equity grounds.

The bill provides a common sense solution to the frustrations felt by some short-term staff and it will provide better value for these employees.

First State Super, the default superannuation fund for these employees, also supports these cost-saving measures.

I commend the bill to the House.