
About this issues paper

This issues paper aims to help you to prepare a submission to the Commission's inquiry into the **Review of the *Superannuation Industry (Supervision) Act 1993 and Certain Other Superannuation Legislation***. It outlines the scope of the inquiry and identifies matters about which we are seeking information and comment. You need not address all of these matters or restrict your comments to the issues identified in this paper. Please feel free to raise any issues which you consider relevant to the inquiry's terms of reference (see over).

Anybody can make a submission. It can comprise anything from a short letter outlining views on a few aspects of the subject to a more substantial document covering a wider range of issues. Where possible, submissions should contain relevant information to support your views. We are especially interested in examples that illustrate the effects of the legislation on competition and in imposing costs or conferring benefits on business.

Submissions will be made available for others to read and comment on, including on the Commission's web site. The Commission will accept on a confidential basis relevant material that is of a personal or commercially sensitive nature. Such material, which will not be made publicly available, should be provided under a separate cover and clearly marked **COMMERCIAL-IN-CONFIDENCE**.

Following receipt of the submissions, a draft report will be prepared and released for public comment. To ensure full consideration of your submission in the preparation of the draft report, it should be lodged no later than early May.

IMPORTANT DATES

| | |
|---------------------------|-----------------|
| Due date for submissions: | Early May 2001 |
| First round hearings: | Mid-May |
| Release of draft report: | Mid-July |
| Draft report hearings: | Early September |
| Final Report: | 8 November 2001 |

Commissioners for the inquiry are John Cosgrove (Presiding) and Roger Freney (Associate for the inquiry).

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Terms of Reference

Review of the Superannuation Industry (Supervision) Act 1993 and Certain Other Superannuation Legislation

PRODUCTIVITY COMMISSION ACT 1998

I, ROD KEMP, Assistant Treasurer, pursuant to Parts 2 and 3 of the *Productivity Commission Act 1998*, hereby refer the attached list of legislation and associated regulations, relating to superannuation, to the Commission for inquiry and report within 9 months of receipt of this reference. The Commission is to focus on those parts of the legislation that restrict competition, or that impose costs or confer benefits on business. The Commission is to hold hearings for the purpose of the inquiry.

Background

2. This review fulfils a commitment made in the Commonwealth Legislation Review Schedule to undertake National Competition Policy reviews of these Acts. This review will not be addressing taxation issues affecting the superannuation industry, other than levies referred to in the attached Schedule.

Scope of Inquiry

3. The Commission is to report on appropriate arrangements for regulation taking into account the following:

- (a) legislation/regulation which restricts competition should be retained only if the benefits to the community as a whole outweigh the costs; and if the objectives of the legislation/regulation can be achieved only by restricting competition. Alternative approaches which may not restrict competition include quasi-regulation and self-regulation.
- (b) in assessing the matters in (a), regard should be had, where relevant, to effects on the environment, welfare and equity, occupational health and safety, economic and regional development, consumer interests, the competitiveness of business including small business, and efficient resource allocation.
- (c) the need to promote consistency between regulatory regimes and efficient regulatory administration, through improved coordination to eliminate unnecessary duplication.
- (d) there should be explicit assessment of the suitability and impact of any standards referenced in the legislation, and justification of their retention if they remain as referenced standards.
- (e) compliance costs and the paper work burden on small business should be reduced where feasible.

4. In making assessments in relation to the matters in (3), the Commission is to have regard to the analytical requirements for regulation assessment by the Commonwealth, including those set out in the Competition Principles Agreement. The report of the Commission should:

- (a) identify the nature and magnitude of the social, environmental or other economic problem(s) that the legislation seeks to address;
- (b) clarify the objectives of the legislation;
- (c) identify whether, and to what extent, the legislation restricts competition;

(terms of reference continued)

- (d) identify relevant alternatives to the legislation, including non-legislative approaches;
 - (e) analyse and, as far as reasonably practical, quantify the benefits, costs and overall effects of legislation and alternatives identified in (d);
 - (f) identify the different groups likely to be affected by the legislation and alternatives;
 - (g) determine a preferred option for regulation, if any, in light of objectives set out in 3; and
 - (h) examine mechanisms for increasing the overall efficiency, including minimising the compliance costs and paper burden on small business, of the legislation and, where it differs, the preferred option.
5. The Commission should take account of any recent substantive studies relevant to the inquiry.
6. In undertaking the review, the Commission is to advertise nationally and consult with key interest groups and affected parties.
7. The Government will consider the Commission's recommendations, and the Government's response will be announced as soon as possible after the receipt of the Commission's report.

ROD KEMP
7 FEB 2001

Schedule

The following Acts and their associated Regulations are to be reviewed:

- *Superannuation (Self Managed Superannuation Funds) Taxation Act 1987*
- *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991*
- *Superannuation (Resolution of Complaints) Act 1993*
- *Superannuation Industry (Supervision) Act 1993* – excluding provisions dealing with:
 - those aspects of the regulation and supervision of self managed superannuation funds that were covered by Superannuation Legislation Amendment Act (No. 3) 1999 and subsequent Regulations;
 - the superannuation investment rules (section 66 and Part 8 of the Act); and
 - matters covered by the draft Financial Services Reform Bill (previously CLERP 6).
- *Occupational Superannuation Standards Regulations Applications Act 1992*
- *Superannuation (Financial Assistance Funding) Levy Act 1993*

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1 What is the inquiry about?

The Assistant Treasurer has asked the Productivity Commission to undertake a review of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and five other pieces of superannuation legislation and report within nine months — that is, by 8 November 2001.

The review fulfils a commitment made by the Government to undertake a National Competition Policy review of the specified legislation.

The terms of reference for the inquiry are reproduced at the front of this paper.

Scope of the inquiry

The Commission is required to review the following Acts and associated Regulations:

- SIS Act;
- *Superannuation (Resolution of Complaints) Act 1993*;
- *Superannuation (Financial Assistance Funding) Levy Act 1993*;
- *Superannuation (Self Managed Superannuation Funds) Taxation Act 1987*;
- *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991*; and
- *Occupational Superannuation Standards Regulations Applications Act 1992*.

Brief descriptions of these Acts are provided in section 4.

It is important to note that the inquiry is neither a review of all superannuation legislation nor of retirement incomes policy. Specific limitations have been placed on the Commission in assessing the legislation under review. It is not to address taxation issues affecting the superannuation industry. Also excluded, for example, are aspects of the SIS Act pertaining to self managed funds supervised by the Australian Taxation Office (ATO), rules relating to in-house investments, and matters covered by the forthcoming Financial Services Reform (FSR) Bill.

Although the FSR Bill is yet to be introduced into Parliament, it is intended to apply to the financial sector generally and to incorporate the findings of the Corporate Law Economic Reform Program relating to the harmonisation across the financial services industry of product disclosure and licensing of financial service providers

(known as CLERP6). Accordingly, it is expected that the FSR Bill will include provisions covering aspects of superannuation product disclosure and consumer protection presently contained in the SIS Act.

Except with respect to self managed funds, the form and level of cost recovery for regulatory supervision is beyond the scope of this inquiry. However, general consideration of cost recovery arrangements for Commonwealth Government regulatory, administrative and information agencies is the subject of a concurrent inquiry by the Commission which is to report by 16 August 2000.

Background to the current regulation of superannuation

Regulation of superannuation is undertaken against the general background of retirement incomes policy. Since the mid-1980s regulation has involved a 'carrot and stick' approach of: incentives via the tax system; compulsion, such as through the superannuation guarantee scheme; and rules to ensure that superannuation contributions are devoted to providing incomes available on retirement.

The fore-runner to the SIS Act was the *Occupational Superannuation Standards Act 1987* which provided the main regulatory framework for prudential supervision. The SIS Act was introduced in 1993 as part of a major reform of superannuation in the early 1990s aimed at strengthening the prudential supervision of the superannuation industry.

Since 1 July 1998, the Australian Prudential Regulatory Authority (APRA) has been the prudential regulator of superannuation. APRA was established as the single prudential regulatory agency for the whole financial sector as part of the Government's response to the Financial System Inquiry completed in 1997. Previously, superannuation regulation had been primarily the responsibility of the Insurance and Superannuation Commission. Subsequently, small self managed funds have been removed from APRA prudential supervision and are now supervised by the Australian Taxation Office (ATO), with respect to both their compliance with taxation legislation and some elements of the SIS legislation.

Also as part of the revised regulatory arrangements for the financial sector, the Australian Securities and Investments Commission (ASIC) was formed and given responsibility for the market integrity and consumer protection aspects of superannuation.

Inquiries relevant to this review include the 1997 Financial System Inquiry, chaired by Mr Stan Wallis, and inquiries by a number of Parliamentary Committees. A list of the relevant Parliamentary inquiries is attached at the end of this paper.

2 The Australian superannuation industry

Superannuation products are supplied by a wide range of providers. Most are superannuation funds overseen by trustees who are required to comply with the provisions of the SIS Act and associated Regulations in order to obtain concessional taxation treatment.

A total of just over 217 000 superannuation funds were registered with either the APRA or the ATO at end of September 2000 (table 1). The vast majority were small or self managed funds, consisting of fewer than five members. Most of these are supervised by the ATO. The impact of the legislation on this numerous group of funds is excluded by the terms of reference for this inquiry. The remainder include corporate, industry, public sector and retail funds.

Table 1 The superannuation industry, 30 September 2000

| Type of fund | Funds ^a | | Member accounts | | Assets | |
|---|--------------------|---------------|-----------------|------------|------------|--|
| | No. | '000s | % of total | \$ billion | % of total | |
| <i>Corporate or enterprise:</i> provided by a single or group employer | 2 065 | 1 489 | 7 | 80 | 16 | |
| <i>Industry:</i> sponsored by employer & employee organisations in one or more industries | 62 | 6 863 | 31 | 41 | 8 | |
| <i>Public sector:</i> for employees of C'wth, State & local govts & their instrumentalities | 34 | 2 547 | 11 | 109 | 22 | |
| <i>Retail:</i> offered by a range of financial institutions | 151 | 10 999 | 49 | 142 | 29 | |
| <i>Small or self managed:</i> individual or family based with 1-4 members | 214 846 | 423 | 2 | 71 | 15 | |
| <i>Annuities, life office reserves, etc</i> | na | na | na | 47 | 10 | |
| Total | 217 158 | 22 321 | 100 | 489 | 100 | |

^a Fund numbers are preliminary estimates based on 1998-99 returns.

na not available.

Source: APRA 2000, *Superannuation Trends*, September quarter.

Superannuation assets increased by more than \$300 billion after the introduction of the Government's superannuation guarantee scheme in 1992, reaching \$489 billion in September 2000. The Commonwealth Treasury Retirement Income Modelling Group has forecast total assets to grow rapidly to some \$930 billion by 2010, with similar growth to \$1700 billion by 2020.

The Association of Superannuation Funds of Australia Limited's research centre has estimated that, at the beginning of 2001, some 98 per cent of full-time workers and 59 per cent of casual part-time workers in the total labour force of around 8.5 million had superannuation accounts. The significant increase in coverage during the 1990s derived largely from the compulsory contributions required by the superannuation guarantee levy. Account balances also grew significantly during the 1990s and in September 2000 averaged around \$22 000, illustrating the increasing importance of superannuation as a form of long-term saving.

3 General issues

The Commission will review the legislation (Acts and associated Regulations) from a community-wide perspective consistent with the terms of reference and the policy guidelines contained in the *Productivity Commission Act 1998*. It will have regard to the contribution of the legislation to the welfare of the community as a whole rather than that of particular industries, individuals or firms. It will review aspects of the legislation which restrict competition to ascertain whether the benefits to the community outweigh the costs and whether it is necessary to restrict competition to achieve the objectives of the legislation. It will explore alternative legislative and non-legislative approaches, such as quasi-regulation and self-regulation. Consideration will also be given to the consistency of the legislation under review with other relevant regulation in the financial sector, especially with a view to eliminating unnecessary duplication, reducing compliance costs and the paper work burden on small businesses.

Objectives of the legislation

The legislation under review has two broad objectives: first, to encourage individuals to contribute towards their own retirement income; and second, to ensure that those contributions are well managed and preserved until retirement from the workforce.

To give effect to those objectives, the legislation under review contains an extensive range of general and more detailed measures designed to prevent the revenue concessions provided for superannuation contributions from being abused. In conjunction with this, the SIS Act also provides a comprehensive legal framework for the good management of members' interests by trustees and includes detailed operating standards (s.31) and covenants to be included in the governing rules of trusts (s.52).

What are the principal benefits of the legislation? How can they be measured? Have past problems declined in significance since the introduction of the legislation?

There has been considerable growth and change in the superannuation industry in recent years.

How well does the legislation accommodate technological and other market-driven changes, including product development? How well does the legislation cope with contemporary problems?

Costs of the legislation

The Acts and associated Regulations under review are voluminous, often complex and subject to frequent change. These factors give rise to both direct and indirect costs. Major direct costs stem from compliance by industry with the legislation and to administration by regulators. Indirect costs are more pervasive. They include the effects of the legislation on the level of competition between providers of superannuation products, and the incentives forced by providers to contain costs, innovate and invest appropriately. These indirect costs may also include 'rent seeking' and lobbying behaviour by providers.

What are the costs of compliance and how significant are they? How substantial are the costs of government administration? Is there scope to reduce such direct costs?

Does the legislation restrict competition in any aspect of the superannuation industry? For example, does it deter the entry (or exit) of superannuation funds, other providers of superannuation products, or other service providers such as accountants, auditors or investment managers? Are some types of funds subject to more onerous requirements under the legislation than others?

Is the legislation too prescriptive and unnecessarily complex? If so, what are the main areas of complexity?

Alternative means of achieving the objectives of the legislation

The benefits and costs of the legislation need to be compared with those of other possible approaches. These may include other legislative-based approaches to prudential regulation, such as that embodied in the Managed Investments Act, as well as self-regulation.

Are there less costly ways of achieving the legislation's objectives?

Should the legislation be restructured such that the enabling Act is confined to guiding principles for regulators, with additional detail contained in regulations?

Could the legislation be less prescriptive by focussing more on its intended outcomes and less on the means of achieving them?

Is there scope for greater reliance on self-regulation, such as industry codes?

More generally, as the industry has grown in recent years, an array of different kinds of service providers has emerged to facilitate the conduct by trustees of their fiduciary duties. Overall, the provision and regulation of superannuation has required the input of significant additional resources.

Could an alternative regulatory approach, based, for example, on a managed investments or company governance structure, provide superannuation at lower cost while still maintaining appropriate safeguards?

4 Legislation-specific issues

In addition to the issues noted above, which are relevant to most of the legislation under reference, there are issues specific to each piece of legislation under review. Some possible issues are indicated below. Participants are of course welcome to draw attention to other issues which they see as significant.

SIS Act

The SIS Act is the principal piece of legislation under review. It was introduced as the major part of a package of legislation that was intended to ‘give added protection to superannuation savings and to promote a more efficient superannuation industry, while avoiding the imposition of unreasonable supervisory and compliance costs’ (House of Representatives Second Reading Speech, 27 May 1993). It is administered by three agencies – APRA, ASIC and the ATO.

Trustee rules

The legislation focuses on trustees as the responsible entity for superannuation funds. It imposes numerous requirements on trustees.

Is it appropriate that the SIS Act focuses on trusts as the principal legal structure of superannuation funds? Could other legal structures for superannuation funds be contemplated — for example, incorporated financial institutions that are prudentially supervised under other legislation?

Are the duties and obligations imposed on trustees warranted or do they involve excessive costs?

Does the requirement for equal representation of employers and members in employer-sponsored funds deliver significant benefits? Does compliance with it involve any unwarranted costs?

Are the requirements relating to trustee appointment and removal appropriate? Should all trustees be subject to some form of licensing regime?

Rules governing operations

The SIS legislation contains extensive and detailed requirements governing the operations of superannuation funds. For example, it specifies numerous operating standards, such as the detailed disclosure of information to the regulators.

Requirements relating to the provision of information to members, dealings with member inquiries, public offer fund representations at point of sale and the like may be covered by the forthcoming Financial Services Reform Bill and, thus, may be excluded from this inquiry.

Which of the requirements governing the operations of superannuation funds (apart from those excluded from the Commission's inquiry) involve significant benefits or costs?

Could some relaxation of requirements on contributor status (such as those relating to age and employment) enable significant cost-savings?

Are the requirements to provide information to the regulators appropriate or unduly costly (especially for small APRA funds)? Is there consistency between these requirements and the requirements in other legislation, such as the Income Tax Assessment Act?

Superannuation providers

There is a diversity of providers of superannuation products. Some of these providers are large financial institutions which are subject also to other forms of prudential regulation, while others are very small.

Is this approach appropriate? Could the same objectives be attained if some kinds of providers were supervised instead under other prudential legislation, such as the Managed Investments Act?

Does the SIS Act result in competitive inequality between providers?

Some (specified) public sector superannuation schemes are exempt from the SIS Act, but are covered by other prudential legislation.

Does the exemption of some public sector superannuation schemes raise any issues for this review?

The SIS Act identifies and makes separate provision for three types of ‘superannuation entities’: ‘regulated superannuation funds’, ‘approved deposit funds’ and ‘pooled superannuation trusts’. If these entities comply with the legislation, they are eligible for concessional tax treatment.

What are the benefits and costs of this differentiated approach?

Investment rules

An important function of a superannuation fund is to invest contributions so as to generate retirement income benefits. Trustees are responsible under the SIS Act for formulating and implementing an investment strategy. The Act specifies investment covenants, which trustees are required to observe. Also, investments must be made consistent with the sole purpose test — which requires that funds operate solely for providing retirement and other allowable ancillary benefits.

The legislation does not directly control the nature of funds’ assets. However, it does restrict certain forms of investment which are considered by the legislation to be inconsistent with retirement incomes policy objectives (eg lending to members, non-acquisition of assets from members, a requirement that investments must be made on an arm’s length basis), by limiting the exposure of future benefits to unnecessary risk. (The terms of reference exclude provisions relating to in-house assets from this review.)

Does the SIS legislation, particularly the application of its investment covenants and other investment restrictions, unduly restrict investment strategies, or the investment process, to the detriment of funds’ members?

Are the investment provisions in total unduly complex? Could their objectives be better achieved by another approach?

Regulated superannuation service providers

The SIS Act contains requirements with respect to some kinds of service providers. For example, it requires that an investment manager, or custodian, must be a body corporate, except for self managed funds. The body corporate custodian must have at least \$5 million in net tangible assets, or else provide an ‘approved’ guarantee.

What are the benefits and costs of the provisions relating to investment managers and custodians? How necessary are the provisions? Would a different regulatory framework be more effective?

Approved auditors and actuaries conduct and report the following:

- an annual financial audit;
- an annual compliance audit on the entity's compliance with the SIS Act; and
- an actuarial investigation, at least once every three years, for defined benefit funds.

Are compliance audits an efficient means of monitoring compliance with SIS objectives? Do compliance audits reduce the need for surveillance by the regulators? Could the Act's requirements for compliance and financial auditing be made less costly?

There are different requirements in the SIS Act and the Income Tax Assessment Act relating to actuarial certificates.

Are all of these requirements necessary and consistent? Is there scope for changes which would reduce costs and/or improve consistency?

A number of other services are provided to superannuation entities, including, for example, legal and asset allocation advice, and administration. Some of these services are integral to funds' operations. However, there appear to be no express provisions in the SIS Act or Regulations relating to the roles and responsibilities of these service providers.

Would the achievement of the overall aims of the SIS Act be enhanced if the legislation were extended to other key service providers – for example, to administrators?

Administration and enforcement of the Act

The term of reference (3)(c) directs the Commission to take into account the need to promote consistency between regulatory regimes and efficient regulatory administration, through improved coordination to eliminate unnecessary duplication.

A central part of the Government's reform approach (in response to the FSI) was the creation of a new organisational framework for the regulation of the financial system which is objectives-based, in place of the previous institutionally-based structure.

Is the regulatory oversight of superannuation trusts cost effective? Are the roles and responsibilities of the three regulators clear and consistent? Do the arrangements result in any unnecessary regulatory overlap, duplication or uncertainty? Are there any regulatory 'gaps'? Is there scope for a reduction in the regulators' costs?

APRA, ASIC and the ATO have extensive regulatory and investigative powers under the SIS Act, including powers to grant exemptions from, and make modifications to, certain provisions of the SIS legislation in respect of a fund or trust or class of funds or trusts.

Do the discretionary powers of the regulators facilitate compliance with the objectives of the legislation? How does material published by the regulators (eg APRA circulars) affect the costs of funds' compliance?

The SIS Act contains strong surveillance and enforcement powers.

How effective have these powers been in protecting members' interests? Are the powers excessive?

Are the costs (to regulators and funds) of monitoring undertaken by regulators warranted?

As regards penalty provisions, amendments were introduced in 2000 which replaced many of the fault liability provisions in the SIS Act with strict liability provisions. These amendments also provided for the *Criminal Code Act 1995* to be applied to offences.

A penalty may be a fine or term of imprisonment. In certain cases, a contravention of the SIS legislation may also result in the loss of the 'complying' status of a superannuation fund, which results in a loss of benefits to members.

Do the penalty provisions provide appropriate incentives for compliance?

Superannuation (Resolution of Complaints) Act

The resolution of complaints Act provides for the establishment and operation of the Superannuation Complaints Tribunal to deal with complaints about superannuation. The Tribunal attempts to resolve complaints firstly through conciliation and, where this is not possible, through arbitration in an expeditious and low-cost manner.

The jurisdiction of the Tribunal is limited in some respects. For example, it cannot deal with complaints which have not been first subject to a fund or provider's internal complaints mechanisms.

No fee is charged by the Tribunal for lodging a complaint. Nor are the Tribunal's costs awarded.

What are the advantages and disadvantages of a statutory body relative to other dispute resolution mechanisms, such as a financial industry disputes resolution body?

How cost-effective has the Tribunal been in resolving complaints? Should a charge be levied on complaints brought to the Tribunal? If so, in what circumstances and how would it be determined?

Superannuation (Financial Assistance Funding) Levy Act

The financial assistance funding levy Act provides for a levy to be imposed on superannuation funds and approved deposit funds (but not self managed funds) for the purpose of 'funding financial assistance to certain funds that have suffered loss as a result of fraudulent conduct or theft'. The maximum levy that may be imposed on a fund in a year is 0.05 per cent of its assets. To date the levy Act has not been invoked.

Is it appropriate to make provision for such a levy? Would a legislative requirement that funds contribute to an emergency reserve (fidelity fund) be an alternative?

Superannuation (Self Managed Superannuation Funds) Taxation Act and Supervisory Levy Imposition Act

The *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991* and the *Superannuation (Self Managed Superannuation Funds) Taxation Act 1987* set out provisions relating to the payment of a 'supervisory' levy by self managed funds. The levy, which is collected by the ATO, consists of two components: a basic levy amount of \$45; and, where applicable, a late lodgement amount of \$10 for each calendar month after the date on which the annual return is due.

To what extent is the purpose to which the levy is put beneficial to self-managed superannuation funds?

Does the amount of the levy appropriately reflect the ATO's cost of supervising self managed funds?

Occupational Superannuation Standards Regulations Application Act

The Occupational Superannuation Standards Regulations Application Act was intended to ensure the validity of amendments to the Occupational Superannuation Standards Regulations that arose from the introduction of superannuation guarantee scheme in 1992. It still has some relevance to s.50 of the SIS Act. It covers funds existing before 1 July 1994 which have not yet elected to be regulated under the SIS Act.

Does administration of this Act involve unnecessary administration costs? Would it be appropriate to terminate these provisions?

Attachment: Other related inquiries

Since the completion of the Financial System Inquiry in 1997, in which a major overhaul of the regulatory framework of the Australian financial system was recommended, there has been extensive public consultation, as well as inquiries, on reform proposals. Prominent in this process have been the activities of a number of Parliamentary committees. Inquiries by those committees which are relevant to this inquiry are listed below. As requested in the terms of reference, the Commission will take into account the relevant parts of those inquiries.

Senate Select Committee on Superannuation and Financial Services

The Senate Select Committee on Superannuation and Financial Services is examining and is to report shortly on three matters, namely:

- prudential supervision and consumer protection for superannuation, banking and financial services;
- the opportunities and constraints for Australia to become a centre for the provision of global financial services; and
- enforcement of the Superannuation Guarantee Charge.

In addition, the Senate Select Committee has recently examined and tabled reports on, among other things:

- results of a Round-table on Choice of Superannuation Funds;
- Report on the provisions in the Financial Sector Legislation Amendment Bill (No. 1) 2000. This report dealt with conversion of fault liability to strict liability for consumer protection offences in the SIS Act related to protection of superannuation investments. The legislation sought to make various offence provisions compliant with the Criminal Code (set out in the *Criminal Code Act 1995*) and consistent with similar provisions contained in the Corporations Law and *Managed Investments Act 1998*. It was part of moves to harmonise those measures with other prudential regulation schemes.
- Report on the provisions in the Superannuation (Entitlements of Same Sex Couples) Bill 2000;

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- Report on the provisions of the Family Legislation Amendment (Superannuation) Bill 2000; and
 - Report on Choice of Superannuation (Consumer Protection) Bill 1999.

Parliamentary Joint Statutory Committee on Corporations and Securities

In August 2000, the Parliamentary Joint Statutory Committee on Corporations and Securities tabled:

- a Report on the Draft Financial Services Reform Bill. The Bill which this report covered was subsequently withdrawn. However, it is likely to have considered many of the issues which will be covered in the (new) Financial Services Reform Bill that is to be tabled shortly.

House of Representatives Standing Committee on Economics, Finance and Public Administration

In November 2000, the House of Representatives Standing Committee on Economics, Finance and Public Administration tabled a report entitled:

- Review of the Australian Prudential Regulation Authority: Who will guard the guardians?