

Victorian Government Response

To the Public Accounts and Estimates Committee of Parliament's

**Report on Trustee arrangements for governing the
Parliamentary Contributory Superannuation Fund**

May 2008

Background

On 29 March 2007, the Public Accounts and Estimates Committee (the Committee) received an inquiry from the Governor in Council regarding the trustee arrangements governing the Parliamentary Contributory Superannuation Fund (PCSF). The terms of reference required the Committee to:

...inquire into and report to Parliament on the most appropriate trustee arrangements for governing the Parliamentary Contributory Superannuation Fund, having regard to the governance structures of comparable Commonwealth and interstate schemes, other public sector and private schemes and industry funds.

The Committee's report was formally lodged in Parliament in October 2007.

In this report, the Committee has made the following two recommendations.

Recommendation 1:

The funds' trustee appoint an independent expert, preferably a former judicial officer, to advise, where necessary, on potentially contentious issues and matters requiring impartial opinion.

Recommendation 2:

The legislative arrangements for trustee membership of the fund be reviewed again, soon after the 2010 state election, to address the likely future impact on trustee and member profiles of the fund's 2004 closure.

Victorian Government Response to the Committee's Recommendations

In responding to the Inquiry's recommendations, the Victorian Government has expressed its broad position in the following terms:

Recommendation 1:

The funds' trustee appoint an independent expert, preferably a former judicial officer, to advise, where necessary, on potentially contentious issues and matters requiring impartial opinion

Currently under consideration by the Parliamentary Trustee

The Victorian Government believes that such an appointment may assist in raising public confidence in the objectivity of the Trustee's decision making process. However, further consideration is required in relation to a number of legal issues surrounding trustee responsibility and duties. The Parliamentary Trustee is currently in the process of obtaining such advice.

Recommendation 2:

The legislative arrangements for trustee membership of the fund be reviewed again, soon after the 2010 state election, to address the likely future impact on trustee and member profiles of the fund's 2004 closure

Support

The Victorian Government supports this recommendation given that the proportion of MPs who are members of the Parliamentary Contributory Superannuation Fund will change over time.