EXPLANATORY STATEMENT
MILITARY SUPERANNUATION AND BENEFITS AMENDMENT TRUST
DEED 2006 (No. 1)

ISSUED BY THE AUTHORITY OF THE MINISTER FOR VETERANS' AFFAIRS
AND MINISTER ASSISTING THE MINISTER FOR DEFENCE

The Schedule to the Trust Deed made by the Minister for Veterans' Affairs under section 5 of the Military Superannuation and Benefits Act 1991 ('the MSB Act') contains Rules ('the MSB Rules') which deal with the benefits to be provided to members of the MSB Scheme upon retirement, or to dependants of deceased members of the scheme. The benefits payable are a member benefit based on member contributions, accrued MSB Fund earnings and an employer benefit which includes employer contributions.

The Minister is empowered, by section 5 of the MSB Act, to amend the Trust Deed (including the MSB Rules), by an instrument which, by subsection 49(1) of the MSB Act, is a disallowable instrument for the purposes of section 42 of the Legislative Instruments Act 2003.

The amendments made by the Military Superannuation and Benefits Amendment Trust Deed 2006 (No. 1) change the MSB Rules to implement recommendations agreed to by the Minister for Finance and Administration in accordance with the Government’s acceptance of the principles set out in the recent Review of Corporate Governance of Statutory Authorities and Office Holders undertaken by Mr John Uhrig.

The Military Superannuation and Benefits Amendment Trust Deed 2006 (No. 1) will commence on the day after it is registered.

Consultation has taken place between the Military Superannuation and Benefits Board of Trustees No. 1, the Office of Legislative Drafting, the Department of Finance and Administration and the Directorate of Military Superannuation Department of Defence.

Clause 1 - Name of Trust Deed

This clause is formal.

Clause 2 - Commencement

This clause provides for commencement on the day after this Trust Deed is registered.

Clause 3 - Amendment of Military Superannuation and Benefits Trust Deed

This clause is formal.

Schedule 1 – Amendments

Item 1 - Trust Deed, subclause 4 (2)

This item omits the term “shall be appointed by the Minister after consultation with the Minister for Finance in relation to the appointment” and inserts the term “shall also be appointed by the Minister”. The Minister for Finance and Administration has agreed with the recommendation that the current requirement for the Minister for Finance and
Administration to be consulted on the appointment of the Chair of the MSB Board is not necessary.

**Item 2 - Trust Deed, subclause 4 (3)**

This item substitutes the term “(3) A Trustee shall be appointed for such period, not exceeding 3 years, as the Minister specifies in the instrument of appointment”.

**Item 3 – Trust Deed, subclause 6 (1)**

This item omits the term "appoint a person to act as Chairperson after consultation with the Minister for Finance in relation to the appointment and inserts the term "appoint a person to act as Chairperson". The Minister for Finance and Administration has agreed with the recommendation that the current requirement for the Minister for Finance and Administration to be consulted on the appointment of a person to act as Chair of the MSB Board is not necessary.