

Republic of Nauru – 20th Parliament

Superannuation (Repeal) Bill 2012

Second Reading Speech

Hon. David Adeang, M.P., Minister for Finance

23 February 2012

Mr Speaker,

I have introduced to the House today a Bill for an Act to repeal the *Superannuation Act 1966*.

Mr Speaker, the story of the Superannuation Fund in recent years has not been a happy one. Many of its assets have been depleted, and the remaining assets are currently held by receivers. For several years, the fund has neither accepted contributions nor made payments to beneficiaries. Instead, the Government of Nauru has paid beneficiaries currently entitled to a pension a modest amount each fortnight from the Treasury Fund. The Superannuation Fund is no longer viable, and the time has come to wind it up and distribute any remaining assets to beneficiaries.

The *Superannuation (Repeal) Bill 2012* will repeal the *Superannuation Act 1966*, effectively terminating the Superannuation Fund. The Bill vests the assets of the Fund in the Republic, enabling the Republic to distribute those assets among beneficiaries. The Government is committed to ensuring that beneficiaries are reimbursed for the contributions they made to the Fund as employees – if the remaining assets of the Fund are not sufficient to repay this amount, the balance will be appropriated from the Treasury Fund. Although beneficiaries might not immediately receive all the benefits and entitlements they expected to when they made those contributions, they will at least receive them over time, subject to Treasury's capacity to pay.

The explanatory memorandum explains each provision of the Act. In addition to the provisions I have already explained, the Bill makes consequential amendments to the *Nauru Police Force Act 1972* to remove references to the repealed Act. The effect of these changes is shown in the explanatory memorandum, which includes an extract from the *Nauru Police Force Act 1972*

showing the proposed changes. Finally, the Bill contains a provision expiring the Act the day after it commences. The Act will do all it needs to do on commencement – repeal the *Superannuation Act 1966*, vest the assets of the Fund in the Republic and amend the *Nauru Police Force Act 1972*. The Act will then be spent, so there is no need for its continued existence. The expiry provision avoids the need to repeal the Act later on by statute law revision legislation.

Mr Speaker, it is often said that Nauru cannot undo the mistakes of the past. This is certainly true for the Superannuation Fund. The best we can hope to do is, over time, return to beneficiaries their entitlements from a Fund that was not managed with the diligence that they were entitled to expect. The repeal of the *Superannuation Act 1966* is a necessary step in the long process of restoring order to Nauru's economic affairs.

I commend the Bill to the House.

Thank you, Mr Speaker.