

1991

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

FIRE BRIGADE (ADMINISTRATION) (AMENDMENT) BILL (NO. 2) 1991

EXPLANATORY MEMORANDUM

Circulated by Authority of the Minister for Urban Services

Terry Connolly MLA

FIRE BRIGADE (ADMINISTRATION) (AMENDMENT) BILL (NO. 2) 1991

The *Fire Brigade (Administration) Act 1974* (the Principal Act) establishes the Australian Capital Territory Fire Brigade and provides for the administration of that Brigade.

Under section 24 of the Principal Act an officer or fireman who attains the age of 60 years ceases to be a member of the Brigade. Section 24 also provides that a member of the Brigade may retire from the Brigade at any time upon reaching the age of 55 and before reaching the age of 60 years.

Those members of the Brigade who are compulsorily retired at the age of 60 and who are members of the Commonwealth Superannuation Scheme (CSS) are unable to obtain the full superannuation benefits available at 65 years of age. The new Commonwealth superannuation scheme (PSS) overcomes this problem, however many firefighters have remained in the CSS and face a relative disadvantage by being forced to retire at 60 years of age.

The purpose of the *Fire Brigade (Administration) (Amendment) Bill (No. 2) 1991* is to overcome this problem by providing for payment of a lump sum retirement benefit to firefighters who are contributors to the CSS and who are compelled to retire at 60 years of age. The lump sum benefit compensates for the difference between what the retiring firefighters would have received by way of superannuation payments had they retired at 65 years of age and what they actually receive by way of superannuation payments on retiring at 60 years of age.

The payment of lump sum retirement benefits is expected to cost \$75 000 in the 1991/1992 financial year, nothing in 1992/1993 and \$25 000 in 1993/1994. Cost in following years will be variable depending on the number of members of the Brigade who cease to be members of the Brigade at 60 years of age and who are eligible for the payment.

Details of the Bill are included in the Attachment.

ATTACHMENT

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Clauses 1 and 2 deal with formal matters.

Clause 3 amends the heading of Division 2 of Part III of the Principal Act so that the heading better reflects the content of the Division.

Clause 4 inserts new section 24A after section 24 of the Principal Act. New section 24A provides for lump sum payments to be made to members of the Brigade who cease to be a member of the Brigade on attaining the age of 60 and who are contributors to the Commonwealth Superannuation Scheme. The lump sum payment is calculated in accordance with a formula which is based on that agreed to by the Commonwealth for compulsory early retirement for the Australian Federal Police.