

Superannuation Legislation Amendment Regulation (No. 1) 2015

Explanatory notes for SL 2015 No. 76

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation Legislation Amendment Regulation (No. 1) 2015

Authorising law

Sections 13 and 31 of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

The State Public Sector Superannuation Scheme (QSuper) was established by the Queensland Government to provide superannuation benefits for Queensland's public sector employees. Under section 13 of the *Superannuation (State Public Sector) Act 1990* (QSuper Act), the Treasurer approves the superannuation arrangements for the employees of a public sector employer (referred to as a *unit of the State public sector* in the QSuper Act).

Continued QSuper membership for non-public sector employees

To facilitate changes to the way the Queensland Government provides its services, employees of the following three employers are no longer employed within the Queensland public sector. Despite the move away from the public sector, the Government has committed to maintaining superannuation entitlements for these employees, including continued membership of QSuper.

Brisbane Marketing Pty Ltd (Brisbane Marketing) became responsible for promoting Brisbane's South Bank Parkland's Visitor Information Centre from 4 August 2014, a role previously undertaken by City Parklands Transition Services Pty Ltd, and before that, South Bank Corporation. It is proposed that employees who have had continued employment that originated with South Bank Corporation be able to continue to have their superannuation contributions paid to QSuper by Brisbane Marketing.

CQ Radiology Pty Ltd (CQ Radiology) took on Rockhampton Hospital's imaging services from 9 September 2014 under the former Government's contestability policy. It is proposed that employees transferring to CQ Radiology from Central Queensland Hospital and Health Service, the Queensland Government agency that employs Rockhampton Hospital's staff, be able to continue to have their superannuation contributions paid to QSuper by CQ Radiology.

National Trust of Australia (Queensland) Limited (NTAQ) ceased to have Queensland Government oversight from 1 July 2014, in order to save on associated administrative and financial support costs. To facilitate the change NTAQ ceased to be a statutory organisation, which resulted in new employees not being eligible to have their superannuation paid to QSuper. However, it is proposed that employees who commenced employment before 1 July 2014 be able to continue to have their superannuation paid to QSuper by NTAQ.

New employer sponsors of QSuper

The following four employers, each a unit of the State public sector under the QSuper Act, have requested to become employer sponsors of QSuper so that superannuation can be paid to QSuper for employees.

Gladstone WICET Operations Pty Ltd is a wholly owned subsidiary of Gladstone Ports Corporation Ltd, a Queensland Government owned corporation. It is proposed that non-casual employees will automatically have their superannuation paid to QSuper unless they choose another fund, effective 9 May 2014.

Queensland Training Assets Management Authority is a statutory body established under the *Queensland Training Assets Management Authority Act 2014*. It is proposed that all employees will have their superannuation paid to QSuper, effective 1 July 2014.

Royal Brisbane & Women's Hospital Foundation is established under the *Hospital Foundations Act 1982*. It is proposed that all employees will have the option to choose to have their superannuation paid to QSuper, effective 1 October 2014.

One QSuper Pty Ltd (OneQ) employs QSuper's administrative and financial planning staff. Before being employed by OneQ, these employees were employed by QSuper Limited and QInvest Ltd respectively. The change facilitates an administrative name change for the employer, effective 24 January 2015, and it is proposed that the superannuation arrangements for all employees continue unchanged.

University of the Sunshine Coast (USC) is a registered Australian University established under the *University of the Sunshine Coast Act 1998*. It is proposed that from 1 January 2015 employees who have been approved by USC for membership of QSuper will have the option to choose to have their superannuation contributions paid to QSuper. Ordinarily, USC employees would have their superannuation paid to UniSuper, however, this arrangement assists USC to secure professionals who wish to continue their QSuper membership from previous employment with the Queensland Government.

Existing employer sponsor of QSuper

Queensland All Codes Racing Industry Board (Racing Queensland) is an existing employer sponsor of QSuper that pays superannuation to QSuper for its employees. Racing Queensland has requested that non-casual employees who transfer from other Queensland public sector employment be eligible to continue in QSuper's standard defined benefit category on Racing Queensland's approval, effective 22 September 2014.

Achievement of policy objectives

The Amendment Regulation achieves the policy objectives by amending the *Superannuation (State Public Sector) Notice 2010* (QSuper Notice) and the *Superannuation (State Public Sector) Regulation 2006* (QSuper Regulation).

QSuper Notice

The Schedule of the QSuper Notice records the QSuper superannuation arrangements approved by the Treasurer for employees of a public sector employer. The Amendment Regulation inserts a new entry into the Schedule of the QSuper Notice for each of the six new employers summarised above and amends the QSuper Notice to reflect the other changes outlined above.

QSuper Regulation

Brisbane Marketing, CQ Radiology and NTAQ are not State public sector employers and therefore would ordinarily not be able to contribute to QSuper for employees. OneQ is a State public sector employer, however, as a subsidiary of a public sector superannuation trustee, does not neatly fit the ordinary definitions of a unit of the State public sector contained in the QSuper Act.

Brisbane Marketing, CQ Radiology and NTAQ are each declared to be a unit of the State public sector in the QSuper Regulation to enable continued QSuper membership for transferring employees (as outlined above). OneQ is also declared to be a unit of the State public sector in the QSuper Regulation to put its status as such beyond doubt.

Minor technical amendments

In addition to achieving the policy objectives outlined above, the Amendment Regulation makes the following two minor technical amendments:

- aligns a small contribution provision of the QSuper Notice with Commonwealth superannuation legislation; and
- changes the name of the employer listed in the QSuper Regulation as 'Authority under the *Queensland Rail Transit Authority Act 2013*' to 'Queensland Rail'.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy of the authorising law in that the Minister may, by written notice, declare that a person or a member of a class of person who is an employee of a unit of the State public sector is eligible for membership of QSuper. Also, an entity is a unit of the State public sector if declared as such by regulation.

Inconsistency with policy objectives of other legislation

The Amendment Regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

It is not expected that the implementation of the Amendment Regulation will result in significant costs.

Consistency with fundamental legislative principles

The Amendment Regulation is consistent with fundamental legislative principles. The Amendment Regulation does not restrict superannuation options for impacted employees.

Consultation

Consultation has occurred with the relevant employers, the Government Superannuation Officer and the Office of the Queensland Parliamentary Counsel.

The Office of Best Practice Regulation (OBPR) was consulted about the need to prepare a Regulatory Impact Statement (RIS).

Results of consultation

All parties agree with the amendments to the Regulation.

OBPR has advised that a RIS is not required.