

Superannuation (State Public Sector) Amendment Notice (No. 1) 2020

Explanatory notes for SL 2020 No. 97

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation (State Public Sector) Amendment Notice (No. 1) 2020

Authorising law

Sections 2A and 14B of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

QSuper was established by the Queensland Government to provide superannuation benefits for Queensland's State public sector employees. Under section 14B of the *Superannuation (State Public Sector) Act 1990* (Superannuation Act), the Treasurer declares, by written notice, the QSuper membership categories and other conditions of membership for employees of units of the State public sector. The categories of membership for State public sector employees include a defined benefit arrangement for employees with continuous government employment since before November 2008; a generous accumulation arrangement and a basic accumulation arrangement (i.e. Superannuation Guarantee only).

The meaning of a unit of the State public sector is defined under section 2 of the Superannuation Act and includes government entities such as departments, entities established under a Queensland act and body corporates wholly owned by the State. Section 2A of the Superannuation Act provides that the Minister may, by written notice, declare an entity to be a unit of the State public sector, which is mainly intended to be used for those entities that do not fit within the definition under section 2 but have a link to the Queensland Government. In addition, some entities are declared units of the State public sector but only for guaranteeing the continuation of superannuation arrangements for employees transferring to the entity from an existing unit of the State public sector.

Continued QSuper membership for transferring employees

Aurizon Operations Limited has sold part of its Queensland rail grinding business to Loram Pty Ltd (Loram). The sale was completed on 30 October 2019 and as part of the sale agreement, approximately 78 employees who transferred to Loram were allowed continuation of their QSuper superannuation arrangements.

SunWater Ltd has sold part of its facilities associated with the Fairbairn Dam to Fairbairn Irrigation Network Ltd (Fairbairn). The sale was completed on 30 June 2019 and allowed transferring employees to maintain their existing QSuper arrangements, including those employees in DB. Fairbairn's superannuation arrangements are protected by section 738B of the *Water Act 2000* (Qld).

In April 2007 the Queensland Government sold Golden Casket to Tattersalls Limited and ensured the continuation of QSuper membership for employees who started with Golden Casket before the sale. On 22 December 2017 Tabcorp Assets acquired Golden Casket as part of a merger with Tattersalls Group. In October 2019 Tabcorp Assets requested that employees who started with Golden Casket before it was sold in 2007 be able to move to direct employment by Tabcorp Assets and keep their QSuper superannuation arrangements.

Membership options for employees transferring to Queensland government

Queensland Corrective Services (QCS) is acquiring the operation of the Arthur Gorrie Correctional Centre from GEO Group Australia Pty Ltd (GEO). QCS intends to offer transferring staff core Government superannuation arrangements, with the opportunity for staff to retain their current superannuation arrangements (i.e. Superannuation Guarantee). The arrangements will be effective 1 July 2020.

New employer sponsors

The Council of the Queensland Institute of Medical Research Berghofer has established (and owns the majority of) the corporation Endpoint IQ. QIMR has transferred staff to Endpoint IQ so it can begin operations and has requested continuity of benefits for transferring employees and QSuper to be the default fund for new employees.

Removal of employer sponsors

South East Queensland Bulk Water is removed from the Notice as it no longer has staff with entitlements under this instrument.

Achievement of policy objectives

The Superannuation Notice sets out the QSuper membership arrangements approved by the Treasurer for employees of a Queensland public sector employer, including employers that have been declared to be a unit of the State public sector.

The Superannuation (State Public Sector) Amendment Notice (No. 1) 2020 (Amendment Notice) achieves the policy objectives by amending the Superannuation Notice to include the arrangements outlined above.

Consistency with policy objectives of authorising law

The Amendment Notice is consistent with the policy of the authorising law in that the Minister may, by written notice, declare QSuper membership arrangements for an employee of a unit of the State public sector.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

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

Consistency with fundamental legislative principles

The Amendment Notice is consistent with fundamental legislative principles.

Consultation

Consultation has occurred with the relevant employers, the Government Superannuation Officer and the Office of the Queensland Parliamentary Counsel. All parties agree with the amendments to the Superannuation Notice.