

Superannuation (State Public Sector) Repeal Regulation 2022

Explanatory notes for SL 2022 No. 12

made under the *Superannuation (State Public Sector) Act 1990*

General Outline

Short title

Superannuation (State Public Sector) Repeal Regulation 2022

Authorising law

Section 31 of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

The policy objective is to repeal the *Superannuation (State Public Sector) Regulation 2017* (Superannuation Regulation) as its provisions will become redundant on 28 February 2022.

QSuper, which is the default superannuation scheme for Queensland State public sector employees and open to the general public, is established under the *Superannuation (State Public Sector) Act 1990* (Superannuation Act). Under the Superannuation Act, the QSuper Board is established as the trustee of QSuper, and its function is to administer the scheme.

The Superannuation Regulation sets out the administrative operation of the QSuper Board, including nomination and appointment procedures, rules for proxy members, and meeting protocols.

Section 21 of the Superannuation Act protects any declared expressions in relation to QSuper by penalising the improper use of these expressions. The Superannuation Regulation lists the 'declared' expressions that are protected under the Superannuation Act.

The *Superannuation (State Public Sector) (Scheme Administration) Amendment Act 2021* (Amendment Act) amends the Superannuation Act to support the merger of QSuper and Sunsuper. Sunsuper is a large, Queensland based 'not for profit' superannuation fund.

Under the merged fund's governance structure, and in accordance with changes made to the Superannuation Act by the Amendment Act, the QSuper Board will retire as a trustee and Sunsuper Pty Ltd, renamed as Australian Retirement Trust Pty Ltd, will be the trustee of the merged fund. The QSuper Board will continue as a non-statutory entity established under the *Corporations Act 2001* (Cth) to deal with any potential liabilities related to its time as trustee.

The Amendment Act also repeals section 21 of the Superannuation Act given any expressions in relation to the scheme are comprehensively protected under the Australian Government's trademark laws.

The amendments to the Superannuation Act by the Amendment Act as discussed above are scheduled to commence on 28 February 2022, which means that all the provisions of the Superannuation Regulation will become redundant on that date.

Achievement of policy objectives

The policy objectives are achieved by making the *Superannuation (State Public Sector) Repeal Regulation 2022* (Repeal Regulation), which repeals the Superannuation Regulation, with a commencement date of 28 February 2022.

Consistency with policy objectives of authorising law

The Repeal Regulation is consistent with the policy objectives of the authorising law.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The commencement of the Amendment Act will support the implementation of the merger. While the merger has transaction costs associated with integration of the operations of the funds, the boards of QSuper and Sunsuper have determined the benefits significantly exceed these costs. The merger is expected to reduce costs for members of both funds, with reductions expected in administration fees and investment fees over time.

The primary benefit of the Repeal Regulation is the removal of a redundant statute. There are no costs associated with the repeal of the Superannuation Regulation.

Consistency with fundamental legislative principles

The Repeal Regulation is consistent with fundamental legislative principles.

Consultation

The QSuper Board and the board of Sunsuper Pty Ltd were extensively consulted on the development of the Amendment Act and changes to subordinate legislation. Both boards support the Amendment Act and the Repeal Regulation.

The Repeal Regulation meets category (g) – Regulatory proposals that are of a machinery nature, an agency-assessed exclusion category under *The Queensland Government Guide to Better Regulation* and accordingly does not require consultation with the Queensland Office of Best Practice Regulation.