Superannuation (State Public Sector) Amendment Bill 2009

Explanatory Notes

General Outline

Policy Objectives

To amend the *Superannuation (State Public Sector) Act 1990* to:

- ensure that the purchasers of a government assets are bound by the rules of the State Public Sector Superannuation Scheme (QSuper);
- extend QSuper's employer eligibility criteria to allow the fund to accept employer contributions for any person who has an account with the fund; and
- facilitate the transfer of Treasury staff to QSuper Limited.

Reasons for the Bill

Following the recent sale of Government assets, e.g. airports, it has become prudent to reinforce the legislative basis to enforce the adherence of private sector companies to QSuper's rules. The proposed amendment ensures that, following the sale of a government asset, normally to private sector organisations, the employer is bound by the QSuper rules in relation to the superannuation conditions of the employees transferred as part of the sale.

The proposed extension of QSuper's employer eligibility criteria, allowing the fund to accept employer contributions for spouse account holders, makes QSuper's arrangements consistent with other public sector and local Government schemes.

In addition, the Bill transfers Treasury staff, currently engaged by QSuper Limited under an Employment Services Agreement to QSL and provides a 12 month period in which they may elect to revert to the public sector. The Bill maintains all employee benefits, entitlements, remunerations and rights to superannuation and leave.

Achievement of the Objectives

The Bill achieves the policy objectives set out above by amending the *Superannuation (State Public Sector) Act 1990* and the *Parliament of Queensland Act 2001* to:

- confirm that purchasers of government assets, normally by private sector organisations, are bound by the QSuper rules in relation to the superannuation conditions of the employees transferred as part of the sale;
- enable QSuper to accept employer contributions for spouse account holders;
- transfer Treasury staff, currently engaged by QSuper Limited (QSL) under an Employment Services Agreement, to QSL whilst maintaining all employee entitlements and providing a 12 month period in which persons may revert to the public sector; and

Alternatives to the Bill

The policy objectives can only be achieved by legislative enactment.

Estimated Cost for Government Implementation

There is no cost to Government in implementing the amendments contained in the proposed Bill.

Consistency with Fundamental Legislative Principles

There are no fundamental legislative principle issues with the amendments.

Consultation

Consultation has occurred with key government departments that may have an interest in the Bill.

Notes on Provisions

Part 1 Preliminary

Clause 1 cites the short title of the Bill.

Clause 2 states that the Bill amends the *Superannuation (State Public Sector) Act 1990.*

Clause 3 inserts relevant definitions into section 2 of the Act.

Clause 4 amends section 13 of the Act to allow non-public sector employers of all persons who have an account with QSuper to make contributions to the fund.

Clause 5 amends section 13A of the Act to make it clear that all employers who contribute to QSuper are bound by the QSuper Act and Deed.

Clause 6 inserts a new section 13AA to make it clear that where a government asset changes ownership, the QSuper Act continues to apply to the 'new' owner.

Clause 7 inserts a new Part 4B.

- New section 31C inserts relevant definitions for new Part 4B.
- New section 31D deals with the entitlements of Treasury Department employees transferred to QSuper Limited (QSL).
    - All permanent employees are provided with permanent positions with transferring employee's benefits, entitlements, remuneration and rights to superannuation to be maintained.
- New section 31E prescribes the conditions upon which persons transferred to QSL under new section 31D, may elect to 'revert' to the public sector.
    - Persons are provided a period of 1 year from the date of transfer to provide written notice of their intention to revert to the public service to the chief executive officer of QSL.
    - The chief executive officer of QSL must provide a copy of the notice to the chief executive of the department at least 7 days but not more than 21 days after receiving the notice.

    - Employees may only make one election to revert and such notice takes effect regardless of whether an employee subsequently withdraws their election.

- New section 31F provides that if a person elects to revert to the public sector, upon the employee's return the employee is taken not to have stopped being a public service employee for the purposes of leave and entitlements.