

Superannuation (State Public Sector) Amendment Bill 2006

Explanatory Notes for Amendments to be Moved During Consideration in Detail by the Honourable Anna Bligh MP

Title of the Bill

Superannuation (State Public Sector) Amendment Bill 2006

Objectives of the Amendments

The objective of the Bill is to provide for the transfer of the members and assets of the Parliamentary Contributory Superannuation Fund (Parliamentary Fund) to the State Public Sector Superannuation Scheme (QSuper).

This will provide benefits in terms of efficiency thereby reducing future administration costs. The proposal will not change the current entitlements of members and will provide enhanced prudential protection to members as QSuper moves to direct regulation by the Commonwealth Government. Additionally, members will gain more flexible options as a result of their QSuper membership.

Alternative Ways of Achieving Policy Objectives

One alternative is to arrange for the Parliamentary Fund to continue in operation and become subject to direct Commonwealth regulation itself. However, given the scale of the Parliamentary Fund and the initial and ongoing costs associated with meeting Commonwealth regulatory requirements, this is not considered viable.

Estimated Cost for Government Implementation

It is estimated that the transfer of the Parliamentary Fund into QSuper will result in cost savings in terms of administration, audit and investment management expenses. The extent of such saving has not been quantified.

Some costs are expected to be incurred in giving effect to the transfer, such as in realising capital gains, but provisions already exist for the applicable tax.

Consistency with Fundamental Legislative Principles

There are no inconsistencies with Fundamental Legislative Principles.

Consultation

Consultation has occurred with the Department of Premier and Cabinet and the Office of the Queensland Parliamentary Counsel in relation to the proposed additional amendments.

Notes on Provisions

Amendment Of *Superannuation (State Public Sector) Act 1990*

Clause 1 amends clause 4 and inserts a definition of ‘Parliamentary Benefits Committee’.

Clause 2 amends clause 15, dealing with protection from liability, and includes a member of the ‘Parliamentary Benefits Committee’ in the definition of ‘official’.

Clause 3 amends clause 18 by omitting the reference in section 13(6) to the *Parliamentary Contributory Superannuation Act 1970*.

Clause 4 amends clause 19, removing reference to services provided under the *Parliamentary Contributory Superannuation Act 1970* as separate to those provided to QSuper.

Clause 5 inserts a new clause 25A, which amends section 30B to include the scheme previously operated under the repealed *Parliamentary Contributory Superannuation Act 1970*, in the definition of discontinued schemes.

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Clause 6 inserts a new clause 26A, which in turn inserts a new part 5A, which creates new sections 32A to 32L, as follows.

New section 32A provides definitions to facilitate the transfer of the Parliamentary Fund to QSuper.

New section 32B provides that members transferring from the Parliamentary Fund will become a member of a new membership category within QSuper.

New section 32C provides that members transferring from the Parliamentary Fund will maintain their entitlements upon transferring to QSuper.

New section 32D provides that the trustees of the Parliamentary Fund go out of office and that the body corporate is dissolved.

New section 32E provides that the Parliamentary Fund is discontinued and that any amount contained in that fund becomes part of QSuper, upon the transfer taking effect.

New section 32F provides that any agreement or arrangement between the Parliamentary Fund body corporate trustee and another entity becomes an agreement with the QSuper Board and that other entity, upon the transfer taking effect. This section also provides that any legal proceeding commenced by, or against, the Parliamentary Fund body corporate trustee may be finalised by, or against, the QSuper Board, upon the transfer taking effect.

New section 32G provides that any assets or liabilities of the Parliamentary Fund body corporate trustee become assets or liabilities of the QSuper Board, upon the transfer taking effect.

New section 32H provides that QSuper's next annual report, after the transfer takes effect, is to include details about the administration of the Parliamentary Fund over the period 1 July 2006 until immediately prior to the transfer taking effect.

New section 32I provides that the trustees of the Parliamentary Fund must provide to the QSuper Board the accounts of the Parliamentary Fund over the period 1 July 2006 until immediately prior to the transfer taking effect.

New section 32J provides that no State tax is payable as a result of the transfer.

New section 32K provides that the *Superannuation (State Public Sector) Deed 1990* (the QSuper Deed) is to be amended to provide for transferring

members, including that the entitlements of transferring members who resigned for good and sufficient reasons may be decided by a 'Parliamentary Benefits Committee', consisting of the Premier, Leader of the Opposition and the Speaker.

New section 32L provides that the Parliamentary Act is to be repealed.

Clause 7 replaces part 3 of the bill, with a series of consequential amendments to the *Parliament of Queensland Act 2001*, the *Public Officers Superannuation Benefits Recovery Act 1988* and the *Superannuation (Public Employees Portability) Act 1985*, as follows.

Amendment Of Parliament Of Queensland Act 2001

New clause 28 provides that the Parliament of Queensland Act 2001 be amended.

New clauses 29 and 30 remove the reference to the Parliamentary Act used to define the concept of reward, and replace it with a reference to the new category created under the QSuper Deed for transferring members.

New clause 31 omits section 123A to provide all Members of the Legislative Assembly with the ability to salary sacrifice into QSuper after the transfer has occurred.

Amendment Of Public Officers Superannuation Benefits Recovery Act 1988

New clause 32 provides that the *Public Officers Superannuation Benefits Recovery Act 1988* (the Recovery Act) be amended.

New clause 33 amends section 8 to remove the reference to the Parliamentary Act and instead inserts a reference to the new category created under the QSuper Deed for transferring members to ensure continued application of the Recovery Act.

Amendment Of Superannuation (Public Employees Portability) Act 1985

New clause 34 provides that the *Superannuation (Public Employees Portability) Act 1985* (the Portability Act) be amended.

New clause 35 amends section 4 to remove the Parliamentary Scheme from the definition of approved superannuation schemes.

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New clause 36 amends section 9 to remove references to the discontinued State Service Superannuation Fund and the Parliamentary Contributory Superannuation Fund.

New clause 37 amends section 10 to remove the reference to the Parliamentary Act and instead inserts a reference to the new category created under the QSuper Deed for transferring members to ensure continued application of the Portability Act.