

# Proclamation

Explanatory notes for SL 2017 No. 100

made under the

*Revenue and Other Legislation Amendment Act 2016*

## General Outline

### Short title

*Proclamation*

### Authorising law

Section 2 of the *Revenue and Other Legislation Amendment Act 2016*

### Policy objectives and the reasons for them

The *Revenue and Other Legislation Amendment Act 2016* (ROLAA) was passed by Parliament on 1 December 2016, assented to on 9 December 2016 and contains provisions that commence parts 2, 5, 7, 8 and 11 and schedule 1 on a day to be fixed by proclamation.

Parts 2, 5, 7, 8 and 11 and schedule 1 of ROLAA amend Queensland's superannuation legislation to:

- provide Queensland's local government employees and core State government employees with the option to choose the superannuation fund to which their contributions are paid (choice of fund);
- establish LGIAsuper and the State Public Sector Superannuation Scheme (QSuper) as the funds to which contributions are paid for local government employees and core State government employees respectively who do not exercise choice of fund;
- allow the general public to become members of LGIAsuper and QSuper (open fund) to help offset the impacts caused by employees leaving each fund; and
- make other small related and technical changes.

When the Bill for ROLAA was introduced into Parliament in June 2016, the Government announced that the proposed commencement date for choice of fund would be 30 June 2017. This was to ensure there was enough time to implement the administrative changes required to support paying superannuation contributions to multiple funds, including payroll system configurations at the local and State government level.

The amendments that allow LGIAsuper and QSuper to become open funds are to commence at the same time as the choice of fund amendments to ensure a neutral competitive position for both funds.

## **Achievement of policy objectives**

Local and State government employers have implemented the administrative changes required to enable choice of fund for employees.

Even though it is not the primary reason for deferring commencement of ROLAA's superannuation amendments, the boards of each fund have implemented the changes required to be able to accept the general public as members.

Consequently, parts 2, 5, 7, 8 and 11 and schedule 1 of ROLAA can commence on 30 June 2017 as previously announced by the Government.

## **Consistency with policy objectives of authorising law**

The Proclamation is consistent with the policy objectives of ROLAA.

## **Inconsistency with policy objectives of other legislation**

No inconsistencies with the policy objectives of other legislation have been identified.

## **Benefits and costs of implementation**

As outlined in the explanatory notes to ROLAA, some additional costs will be incurred by government employers to implement processes and procedures to facilitate employees exercising choice of fund but these are not expected to be significant and are expected to be met from existing budget allocations. All other costs are expected to be met from existing budget allocations.

## **Consistency with fundamental legislative principles**

The Proclamation is consistent with fundamental legislative principles.

## **Consultation**

Consultation was undertaken with QSuper, LGIAsuper, the Local Government Association of Queensland, Brisbane City Council and relevant employers and unions on the superannuation policy objectives. All parties support commencing the above amendments on 30 June 2017.