

# **Superannuation Legislation (Scheme Membership) Amendment Regulation 2017**

Explanatory notes for SL 2017 No. 105

made under the

*Local Government Act 2009*

*Superannuation (State Public Sector) Act 1990*

## **General Outline**

### **Short title**

*Superannuation Legislation (Scheme Membership) Amendment Regulation 2017*

### **Authorising law**

Section 270 of the *Local Government Act 2009*

Sections 2A, 14B, 15A and 31 of the *Superannuation (State Public Sector) Act 1990*

### **Policy objectives and the reasons for them**

#### **Choice of fund and open fund**

The *Revenue and Other Legislation Amendment Act 2016* (ROLAA) amends the *Local Government Act 2009* (LG Act) and *Superannuation (State Public Sector) Act 1990* (Super Act) to provide local government employees and core State government employees with the option to choose the fund to which their superannuation contributions are paid (choice of fund). Local government employees and core State government employees who do not exercise choice of fund will have their contributions paid to LGIAsuper and the State Public Sector Superannuation Scheme (QSuper) respectively.

ROLAA also amends the Super Act to remove barriers that have restricted membership of each fund to Queensland's local government and State public sector employees (current and former) and their spouses respectively. Opening up membership alleviates the financial impact on the funds caused by local government employees and core State government employees choosing another fund for their superannuation contributions.

## **Ministerial powers for superannuation**

Under the Super Act the Minister (Treasurer) may approve specific superannuation arrangements for State public sector employees. To further enable the Treasurer to exercise these powers, ROLAA amends the Super Act to confer on the Treasurer the power to also approve:

- which State public sector employees the Super Act's choice of fund provisions apply to (termed core government employees); and
- non-public sector employers as having access to QSuper, a power previously exercised under a regulation.

## **Other amendments**

ROLAA also amends the Super Act to change the name of the Board of Trustees of the State Public Sector Superannuation Scheme to the QSuper Board.

## **Consequential amendments to subordinate legislation**

As a consequence of the amendments to the LG Act and Super Act, amendments to the *Local Government Regulation 2012* (LG Regulation), *Superannuation (State Public Sector) Notice 2010* (Super Notice) and *Superannuation (State Public Sector) Regulation 2006* (Super Regulation) are required.

## **Achievement of policy objectives**

### **Amendment of the LG Regulation**

#### *Choice of fund*

The LG Regulation prescribes the amount of superannuation contributions that local government employers must make for employees and personal contributions the employee must make. The SLA Regulation makes technical amendments to the contribution provisions of the LG Regulation to align section references with the amended LG Act and to state the minimum employer contributions required under Commonwealth superannuation legislation for employees of Brisbane City Council aged 70 or over.

#### *Open fund*

The SLA Regulation removes a number of provisions from the LG Regulation to reflect the amendments to the LG Act to enable LGIAsuper to open its membership to the general public.

### **Amendment of the Super Notice**

The superannuation arrangements for public sector employees that have been approved by the Treasurer under the Super Act are set out in the Super Notice

### *Choice of fund*

The SLA Regulation amends the Super Notice to list which public sector employees have been approved by the Treasurer to be core government employees and therefore to whom choice of fund applies. Core government employees are identified on the basis they are employed under one of a list of prescribed Queensland Acts of Parliament. The Super Notice is also amended to remove compulsory membership for these employees.

The SLA Regulation inserts a new schedule in the Super Notice to list the employers that have been previously approved for membership under the Super Regulation.

### *Open fund*

The SLA Regulation removes a number of provisions from the Super Notice that create barriers that would restrict certain State public sector employees from being able to join QSuper.

### *Technical amendments*

The SLA Regulation amends the Super Notice to remove a number of redundant and/or spent provisions as a result of amendments to the *Superannuation (State Public Sector) Deed 1990*.

## **Amendment of the Super Regulation**

The SLA Regulation removes the list of employers that are declared by regulation to meet the definition of a State public sector employer under the Super Act. As outlined above, the list will be relocated in the Super Notice to reflect the Treasurer's new power in this regard.

The SLA Regulation also makes a number of minor amendments to the Super Regulation as a consequence of the membership restrictions being removed from the Super Act and the board formally changing its name to the QSuper Board.

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

This SLA Regulation is consistent with the policy of the authorising law.

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

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

## **Benefits and costs of implementation**

It is not expected that the implementation of the SLA Regulation will result in significant costs.

## **Consistency with fundamental legislative principles**

The SLA Regulation is consistent with fundamental legislative principles.

## **Consultation**

In accordance with the Queensland Government Guide to Better Regulation, the Office of Best Practice Regulation (OBPR) was consulted in relation to the regulatory proposal. OBPR advised the proposed amendments do not require further assessment as the proposals fall within an exclusion category (Category c – regulatory proposals for the internal management of the public sector or statutory authority) or do not impose significant impact on business, community or Government.

Consultation has occurred with the QSuper Board, the LGIA Super Board, the Government Superannuation Officer, the Department of Infrastructure, Local Government and Planning and the Office of the Queensland Parliamentary Counsel.

## **Results of consultation**

All parties agree with the amendments.