

Superannuation (State Public Sector) (Trustee Appointments) Amendment Regulation 2018

Explanatory notes for SL 2018 No. 61

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation (State Public Sector) (Trustee Appointments) Amendment Regulation 2018

Authorising law

Sections 5 and 31 of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

The *Superannuation (State Public Sector) Regulation 2017* sets out the rules for the QSuper Board, including the terms of appointment.

The QSuper Board consists of four trustees representing employers (employer trustees), which are nominated by the Minister, and four trustees representing members (member representative trustees), nominated by representative unions. All trustees are appointed by the Minister who may, with the QSuper Board's written consent, also appoint one other trustee as an independent director of the Board. Trustees are appointed by gazette notice for a term of not more than three years and can be reappointed, with a maximum allowable tenure of nine years.

Allowing an extension of the tenure of a QSuper Board trustee beyond the maximum term is consistent with the arrangements of other large superannuation funds and is supported by the Australian Prudential Regulation Authority, but would only occur on an exceptional basis provided it is in the best interest of members to retain the skills, experience and expertise of the trustee and assists with the transfer of skills and experience to other trustees. The proposed extension is limited to one further term of three years, for a total potential term of no more than 12 years.

Requiring board appointments to be notified by gazette notice is no longer a practice adopted by many other bodies with boards of directors or trustees. Accordingly, it is opportune to discontinue this practice for QSuper Board appointments and instead have these appointments made by written notice, in the form of a letter from the Minister to the appointed trustee.

The QSuper Board may appoint a maximum of two alternate trustees to act in the office of trustee when there is a vacancy, or a trustee is unable to attend meetings. The Regulation requires that if such an appointment is made, the QSuper Board must publish a policy about the role of alternate trustees. However, as an alternate trustee would have to meet the legislative and policy requirements of any other trustee, there is no need to have separate or different policy requirements for an alternate trustee.

Achievement of policy objectives

The regulation amends the *Superannuation (State Public Sector) Regulation 2017* to allow a trustee to be appointed for an additional term in excess of the maximum nine-year tenure, as per the conditions set out in the policy objectives. It also removes the requirement for a trustee appointment to be notified by gazette notice and be made by written notice instead and removes the requirement for the QSuper Board to have a policy for alternate trustees.

Consistency with policy objectives of authorising law

The regulation is consistent with the main objectives of the *Superannuation (State Public Sector) Act 1990*, that is to provide for the operation of an established superannuation scheme for the State public sector and other persons and for related purposes.

Inconsistency with policy objectives of other legislation

The regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The regulation will provide more flexibility for the QSuper Board to manage its board transition process in the best interest of members and introduces administrative efficiencies with no additional risk. There are no costs associated with implementing the changes made by the regulation.

Consistency with fundamental legislative principles

The regulation is consistent with fundamental legislative principles.

Consultation

Consultation has occurred with the QSuper Board and the Government Superannuation Officer.

Results of consultation

All parties agree with the changes made by the regulation.