

# Superannuation (State Public Sector) Amendment Notice 2021

Explanatory notes for SL 2021 No. 51

made under the

*Superannuation (State Public Sector) Act 1990*

## General Outline

### Short title

*Superannuation (State Public Sector) Amendment Notice 2021*

### Authorising law

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

### Policy objectives and the reasons for them

QSuper was originally established by the Queensland Government to provide superannuation benefits for Queensland's State public sector employees. Under section 14B of the *Superannuation (State Public Sector) Act 1990* (Superannuation Act), the Treasurer declares, by written notice, the QSuper membership categories and other conditions of membership for employees of units of the State public sector. The categories of membership for State public sector employees include defined benefit arrangements for employees with continuous government employment since before November 2008, a contributory accumulation arrangement and a basic accumulation arrangement (i.e. Superannuation Guarantee only).

A unit of the State public sector is defined under section 2 of the Superannuation Act and includes government entities such as departments, entities established under a Queensland Act and bodies corporate wholly owned by the State. Section 2A of the Superannuation Act provides that the Minister may, by written notice, declare an entity to be a unit of the State public sector, which is mainly intended to be used for those entities that do not fit within the definition under section 2 but have a link to the Queensland Government. In addition, some entities are declared units of the State public sector but only for guaranteeing the continuation of superannuation arrangements for employees transferring to the entity from an existing unit of the State public sector.

## **Changes to existing arrangements**

James Cook University has requested a change to better reflect its superannuation arrangements, i.e. employees ordinarily default to UniSuper but those who were QSuper members prior to commencing employment can continue their QSuper arrangements.

Sunwater Ltd has requested a change to its arrangements to offer choice of fund and to better reflect the superannuation arrangements offered to its different groups of employees.

## **New units of the State public sector**

Aurizon Operations Limited has sold part of its rail operations to HV Rail Pty Limited and the superannuation arrangements of transferring employees are maintained. HV Rail Pty Ltd is declared a unit of the State public sector in respect of the transferring employees.

In accordance with the provisions under the *Debt Reduction and Savings Bill 2021*, the Queensland Titles Registry will be transferred to the Queensland Future Fund, and Queensland Titles Registry Pty Ltd will be declared as the operator of the titles registry function. Staff transferring from the public service to Queensland Titles Registry Pty Ltd and any new staff employed by this entity will have access to the superannuation arrangements applying to core Government employees. Queensland Titles Registry Pty Ltd meets the definition of unit of the State public sector under section 2 of the Superannuation Act.

## **Arrangements for transferring employees**

As part of the ongoing transition of privately owned correction facilities back to State control, employees of Serco Australia Pty Ltd are transitioning to Queensland Corrective Services. The State Government made a commitment that transferring employees would not be disadvantaged as part of the transfer. As a result, they will be able to retain their current level of superannuation contributions in the basic accumulation category or choose the superannuation arrangements that apply to core Government employees.

## **Achievement of policy objectives**

The Superannuation Notice sets out the QSuper membership arrangements approved by the Treasurer for employees of a Queensland public sector employer, including employers that have been declared to be a unit of the State public sector.

The Superannuation (State Public Sector) Amendment Notice 2021 (Amendment Notice) achieves the policy objectives by amending the Superannuation Notice to include the arrangements outlined above.

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

The Amendment Notice is consistent with the policy of the authorising law in that the Minister may, by written notice, declare QSuper membership arrangements for an employee of a unit of the State public sector.

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

The Amendment Notice is consistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

It is not expected that the implementation of the Amendment Notice will result in significant costs.

## **Consistency with fundamental legislative principles**

The Amendment Notice is consistent with fundamental legislative principles.

## **Consultation**

Consultation has occurred with the relevant employers and the Government Superannuation Officer. All parties agree with the amendments to the Superannuation Notice.

The Amendment Notice is about the internal management of the public sector, which under *The Queensland Government Guide to Better Regulation* is an agency assessed exclusion (category (c)). As a consequence, no consultation with the Office of Best Practice Regulation is required.