

Superannuation (State Public Sector) Amendment Notice 2023

Explanatory notes for SL 2023 No. 19

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation (State Public Sector) Amendment Notice 2023

Authorising law

Sections 4 and 10 of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

The *Superannuation (State Public Sector) Notice 2021* (Notice) is subordinate legislation to the *Superannuation (State Public Sector) Act 1990* (Superannuation Act). The Notice states the membership categories employees of units of the State public sector are eligible to join in Australian Retirement Trust's Government Division (branded QSuper). A unit of the State public sector is defined under the Superannuation Act and includes government entities such as departments, statutory bodies and corporate entities wholly owned by the State.

The membership categories include a comprehensive accumulation arrangement (which attracts a default 12.75 per cent employer contribution for a default 5 per cent (compulsory) member contribution) and a basic accumulation arrangement (which attracts an employer contribution at the Commonwealth's superannuation guarantee rate without a required member contribution and is generally only available to casual employees). For core government employees (generally departmental employees), these arrangements apply irrespective of whether they are a member of QSuper or another fund.

Changes to Queensland public sector superannuation arrangements

The Queensland Government has announced changes to the superannuation arrangements of Queensland public sector employees. The first stage of these changes will allow employees, from 1 April 2023, to no longer make compulsory member contributions. This is achieved by amending the relevant employer entries in Schedule 2 of the Notice to provide their employees with access to the basic accumulation arrangement, which also allows for the simplification or deletion of a number of entries and definitions.

Changes due to the repeal of the *Public Service Act 2008*

Section 7 of the Notice declares a core government employee as an employee employed or appointed under the nominated Acts under that section, including the *Public Service Act 2008*. On 1 March 2023, the *Public Service Act 2008* was repealed, and the *Public Sector Act 2022* entered into force. For the purpose of defining a core government employee and to retain the status quo, the reference to “the *Public Service Act 2008*” is replaced with “chapter 4 or 5 of the *Public Sector Act 2022*”.

The entry for “a department of public service office” has been renamed “a public service entity under the *Public Sector Act 2022*” in line with the terminology under that Act. The definition of a public service entity under the *Public Service Act 2022* includes a department.

The National Injury Insurance Agency, Queensland, and Trade and Investment Queensland were public service offices under schedules 5 and 12 respectively of the *Public Service Regulation 2018* but are not public service entities under the *Public Sector Act 2022*. The entities are included in Schedule 2 of the Notice to continue the superannuation arrangements for the employees of these employers.

Other changes to the Notice

A number of entries listed in Schedule 2 of the Notice are removed as they are no longer in operation or no longer have any members contributing to QSuper.

Achievement of policy objectives

The *Superannuation (State Public Sector) Amendment Notice 2023* (Amendment Notice) achieves the above policy objectives by amending the Superannuation Notice to provide access to the basic accumulation arrangement to employees who are in scope of the Queensland Government’s superannuation changes; making changes consequential to the repeal of the *Public Service Act 2008*, which is replaced by the *Public Sector Act 2022*; and removing redundant entries from Schedule 2.

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 Australian Retirement Trust 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

The benefit of the Amendment Notice is to provide more flexibility to employees in respect of their superannuation arrangements. 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, employee representative organisations and the Government Superannuation Officer. All parties agree with the amendments to the Notice.

In accordance with *The Queensland Government Guide to Better Regulation*, the Amendment Notice does not require further regulatory impact analysis as it falls within two exclusion categories:

- category (c) – regulatory proposals for the internal management of the public sector or statutory authority; and
- category (g) – regulatory proposals that are of a machinery nature.