

Superannuation (State Public Sector) Amendment Notice 2024

Explanatory notes for SL 2024 No. 122

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation (State Public Sector) Amendment Notice 2024

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* (Act). The Notice states the membership categories that employees who are employed by 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 Act and includes government entities such as departments, State-owned corporate entities, and many statutory bodies. The Treasurer has power under the Act to declare in the Notice that an entity is a unit of the State public sector, which may be used for employers that are related to the Queensland government but do not meet one of the Act's definitions of a unit of the State public sector.

The membership categories stated in the Notice include an accumulation category and a standard defined benefit category. Most Queensland government employees in the accumulation category are paid employer superannuation contributions equal to 12.75% of their ordinary time earnings (OTE) without having to make any personal superannuation contributions; a simplified arrangement introduced in July 2023. An employee's OTE is generally their full pay excluding overtime. The Notice defines the employers of employees covered by this arrangement as 'Part 1 employers'.

Accumulation category employees not on the simplified arrangement — mostly former public sector employees who became employees of the private sector due to workforce changes — continue to have superannuation arrangements that were in place for all public sector employees before the July 2023 change. The Notice defines the employers of these employees as 'Part 2 employers'.

Most employees working for 'Part 2 employers' receive an employer superannuation contribution of 12.75% of superannuable salary, topped up to ensure it's at least the superannuation guarantee (SG) rate (currently 11%) of OTE, and must contribute 5% of their superannuable salary to superannuation. Superannuable salary is the employee's base salary plus Governor in Council approved allowances and may be lower than OTE.

Some employees of 'Part 2 employers' — mostly casuals — receive employer superannuation equal to the SG rate of OTE. The Notice preserves the pre-July 2023 arrangements by applying conditions to the employees' membership of Australian Retirement Trust.

The standard defined benefit category arrangements did not change in July 2023. However, from July 2023 many defined benefit employees of 'Part 1 employers' — for example, public sector employees who do shift work — receive additional superannuation into an accumulation account to align the overall superannuation they get with the superannuation paid to accumulation category employees who benefit from the July 2023 change.

Employer requested amendments to the Notice

Central Highlands & Western Qld Family Support Association Inc.

Central Highlands & Western Qld Family Support Association Inc. (known as Yumba Bimbi) is a not-for-profit organisation that provides support services to people with disabilities in rural and remote communities. It is no longer funded by the Queensland Government, and instead now receives its funding from the National Disability Insurance Agency (Commonwelath).

The change in Yumba Bimbi's funding arrangements means it is no longer a unit of the State public sector and Yumba Bimbi has requested that it be removed from the Notice. No employees will be disadvantaged by removing this employer from the Notice.

Port of Brisbane Pty Ltd

The Queensland Government sold the Port of Brisbane in 2010. Employees who have been employed with Port of Brisbane Pty Ltd since before the sale retained their government superannuation arrangements and are listed in the Notice. Port of Brisbane Pty Ltd is a 'part 2 employer', which reflects the retained government superannuation arrangements for employees who have been employed since before it was sold.

Port of Brisbane proposes to pay superannuation equal to 12.75% of OTE to its employees who have been employed since before it was sold. Also, these employees will no longer be required to pay personal superannuation contributions. The proposed superannuation aligns with the government's July 2023 changes for public sector employees and Port of Brisbane Pty Ltd has therefore requested to be listed as a 'part 1 employer' in the Notice.

One QSuper Pty Ltd

One QSuper Pty Ltd was the entity that employed the staff of QSuper, the superannuation fund for Queensland's public sector employees before its merger with Sunsuper to form Australian Retirement Trust (ART). One QSuper Pty Ltd has continued as the employing entity for former QSuper staff now working at ART.

One QSuper Pty Ltd recently changed its name to ART People Services Pty Limited and the employer has requested that the Notice be amended to reflect the name change.

Also, the employees of ART People Services Pty Limited recently endorsed a new workplace collective agreement that provides superannuation to all employees equal to 14% of their OTE without the need to make personal superannuation contributions. The Notice entry for One QSuper Pty Ltd is inconsistent with the proposed superannuation for employees and ART People Services Pty Limited has requested that the necessary amendments to its Notice entry be made, effective from 12 August 2024.

Games Venue and Legacy Delivery Authority

The Queensland Government established the Games Venue and Legacy Delivery Authority (Authority) in May 2024 to support Brisbane staging the 2032 Olympic and Paralympic Games. The Authority will co-ordinate Games related projects including the establishment of venues, athlete villages, transport, frontline government services, and post Games initiatives. The Authority is distinct from the Brisbane Organising Committee of the 2032 Olympic and Paralympic Games, which is responsible for the overall organisation and promotion of the Games.

The Authority proposes to pay its employees superannuation equal to 12.75% of OTE without employees having to make personal contributions; the same level of superannuation that most Queensland Government employees are paid. The Authority also proposes to allow transferring public sector employees who have a QSuper defined benefit account to continue this arrangement while employed by the Authority.

The Authority does not meet any of the definitions of a unit of the State public sector under the Act. It has requested that the Treasurer declare it to be a unit of the State public sector.

Achievement of policy objectives

The *Superannuation (State Public Sector) Amendment Notice 2024* (Amendment Notice) achieves the above policy objectives by:

- removing the Notice entry for Central Highlands & Western Qld Family Support Association Inc.,
- moving the Notice entry for employees of Port of Brisbane Pty Ltd from part 2 of schedule 2 to part 1 of schedule 2, which results in Port of Brisbane Pty Ltd becoming a 'part 1 employer',
- changing all mentions of 'One QSuper Pty Ltd' to 'ART People Services Pty Limited' and remove the membership condition that requires an employee to make personal superannuation contributions, effective 12 August 2024, which is the date the collective agreement starts,
- inserting a Notice entry for employees of the Authority into part 1 of schedule 2, which results in the Authority becoming a 'part 1 employer',
- inserting in the Notice a declaration by the Treasurer that the Authority is a unit of the State public sector.

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 ART's 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 Amendment Notice ensures the Notice correctly reflects the superannuation arrangements for participating employers. The implementation of the Amendment Notice will not result in any 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 Notice. In accordance with *The Queensland Government Better Regulation Policy* the amendments to the Notice are minor and are machinery of government changes. Therefore, under the policy, no further impact analysis is required.