

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Administration

Superannuation Act 2005

Declaration under paragraph 8(2)(b)

The *Superannuation Act 2005* (the Act) makes provision for and in relation to the Public Sector Superannuation Accumulation Plan (PSSAP) for Australian Government employees and for certain other employees.

Section 13 of the Act specifies the various persons who may be a member of the PSSAP. This includes a person who is a public sector employee for the purposes of the Act. Section 5 of the Act provides that a person who is a public sector employee includes a person employed by an approved authority.

Section 8 of the Act sets out the two situations in which an authority or body is an approved authority for the purposes of the Act. In accordance with subsection 8(2) of the Act, an approved authority includes an authority or body that was, at the end of 30 June 2005, an approved authority for the purposes of the *Superannuation Act 1990* (1990 Act). However, such an authority or body is not an approved authority if it is specified in a written declaration made by the Minister under paragraph 8(2)(b) of the Act.

At the end of 30 June 2005 the Australian International Hotel School (AIHS) was an approved authority for the purposes of the 1990 Act and therefore was an approved authority for the purposes of the Act.

On 31 October 2005 the business activities of the AIHS were sold by the ACT Government to a private sector business. It ceased to be an approved authority for the 1990 Act automatically because it was no longer a body described in the definition of an approved authority in section 3 of the 1990 Act. All public sector staff that were employed by AIHS had their employment terminated before the sale.

The purpose of the **Superannuation (PSSAP) Approved Authority Exclusion Declaration 2005** (the Declaration) is to specify AIHS for the purposes of paragraph 8(2)(b) of the Act and therefore exclude it as an approved authority for the purposes of the Act. As the AIHS is no longer a public sector body it should be excluded as an approved authority for the purposes of the Act.

Consultation was undertaken with the ACT Department of Treasury concerning the sale of the business of AIHS. No other consultation is required as the instrument is machinery in nature, and is intended to ensure that employees of the privately-owned AIHS will not inadvertently become PSSAP members following the sale of the business.

The Declaration is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Declaration commences on the day after it is registered on the Federal Register of Legislative Instruments.

The details of the Declaration are explained in the Attachment.

ATTACHMENT

**SUPERANNUATION (PSSAP) APPROVED AUTHORITY
EXCLUSION DECLARATION 2005****Section 1**

This section provides that the name of the Declaration is the *Superannuation (PSSAP) Approved Authority Exclusion Declaration 2005*.

Section 2

This section provides for the Declaration to commence on the day after it is registered.

Section 3

This section defines terms that are used throughout the Declaration. The term “approved authority” as used in the Act is replicated in the Declaration. This section also defines the term “2005 Act”. The term “2005 Act” means the *Superannuation Act 2005*.

Section 4

This section provides that an authority or body listed in Schedule 1 is specified for the purposes of paragraph 8(2)(b) of the *Superannuation Act 2005* (the Act). An authority or body specified for these purposes is not an approved authority for the purposes of the Act.

Schedule 1 – Authorities and bodies specified for the purposes of paragraph 8(2)(b) of the 2005 Act.

Item 1 lists the Australian International Hotel School (AIHS). This provides that AIHS is not an approved authority for the purposes of section 8 of the Act.