

Economics and Governance Committee

Report No. 34, 56th Parliament

Subordinate legislation tabled between 3 May 2019 and 20 August 2019

1 Aim of this report

This report summarises the committee's findings following its examination of the subordinate legislation within its portfolio areas, tabled between 3 May 2019 and 20 August 2019. It reports on any issues identified by the committee relating to the policy to be given effect by the subordinate legislation, its consistency with fundamental legislative principles (FLPs) and its lawfulness. It also reports on the compliance of the explanatory notes with the *Legislative Standards Act 1992* (Qld) (LSA).

2 Subordinate legislation examined

No.	Subordinate legislation (SL)	Date tabled	Disallowance date
95 of 2019	<i>Superannuation (State Public Sector) Amendment of Deed Regulation 2019</i>	20 August 2019	24 October 2019
96 of 2019	<i>Superannuation (State Public Sector) Amendment of Deed Regulation (No. 2) 2019</i>	20 August 2019	24 October 2019
103 of 2019	<i>Motor Accident Insurance (Prescribed Amounts) Amendment Regulation 2019</i>	20 August 2019	24 October 2019
112 of 2019	<i>Revenue Legislation (Fees and Other Matters) Amendment Regulation 2019</i>	20 August 2019	24 October 2019
146 of 2019	<i>Financial Accountability Regulation 2019</i>	20 August 2019	24 October 2019
147 of 2019	<i>Payroll Tax Regulation 2019</i>	20 August 2019	24 October 2019
148 of 2019	<i>Statutory Bodies Financial Arrangements Regulation 2019</i>	20 August 2019	24 October 2019

3 Committee consideration of the subordinate legislation

No significant issues were identified by the committee regarding the consistency with FLPs or the lawfulness of the subordinate legislation.

The explanatory notes tabled with the subordinate legislation comply with the requirements of part 4 of the LSA.

3.1 SL No. 95 of 2019 – *Superannuation (State Public Sector) Amendment of Deed Regulation 2019*

Objective of the subordinate legislation

SL No. 95 seeks to amend the *Superannuation (State Public Sector) Deed 1990* (the Deed), which establishes QSuper. The regulation proposes to amend the Deed to:

- insert a new chapter 10 to consolidate the existing pension and annuity provisions (other than defined benefit pension and annuity provisions) within the Deed

- clarify that income stream reversionary beneficiaries take precedence over individuals nominated under a binding death benefit nomination, as per Commonwealth legislation, and
- clarify that Magistrates and Acting Magistrates in the Standard Defined Benefit category are not eligible for income protection.¹

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.2 SL No. 96 of 2019 – Superannuation (State Public Sector) Amendment of Deed Regulation (No. 2) 2019

SL No. 96 seeks to amend the Superannuation (State Public Sector) Deed 1990 (the Deed), which establishes QSuper. Firstly, it proposes to consolidate the rules contained in various chapters of the Deed, prescribing when contributions made by or for a member can be accepted by the QSuper Board, into one chapter.²

Secondly, SL No. 96 proposes to include a reference in the Deed to regulation 7.04 of the *Superannuation Industry (Supervision) Regulations 1994* (Cth) (SIS Regulations). The Deed contains provisions that prescribe when the QSuper Board can accept contributions made by or for a member and these provisions are replicated in the SIS Regulations. Including a reference in the Deed to the SIS Regulations would prevent the Deed needing to be changed when the SIS Regulations are amended.³

A minor change is also made to reflect that external dispute resolution is now handled by the Australian Financial Complaints Authority, which has replaced the Superannuation Complaints Tribunal.⁴

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.3 SL No. 103 of 2019 – Motor Accident Insurance (Prescribed Amounts) Amendment Regulation 2019

SL No. 103 seeks to index the following monetary amounts under section 100A of the *Motor Accident Insurance Act 1994* (Motor Accident Act):

- the declared costs limit
- the lower offer limit, and
- the upper offer limit.

The lower and upper offer limits provide thresholds for the awarding of legal costs by a court. The declared costs limit is the maximum amount of legal costs payable in specified circumstances.⁵

Section 100A of the Motor Accident Act provides for the annual indexation of these costs and requires the Minister to recommend to the Governor in Council, on or before 1 July each year, the amounts to be prescribed under a regulation.

¹ Explanatory notes, p 1.

² Explanatory notes, p 2.

³ Explanatory notes, p 1.

⁴ Explanatory notes, p 2.

⁵ Explanatory notes, p 1.

Each recommended amount is to be adjusted by the percentage change in average weekly earnings over the 12 months preceding the date of the recommendation and rounded to the nearest ten dollar amount.⁶ The costs have increased in line with this requirement.⁷

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.4 SL No. 112 of 2019 – Revenue Legislation (Fees and Other Matters) Amendment Regulation 2019

SL No. 112 proposes to amend the:

- *Duties Regulation 2013, Land Tax Regulation 2010, Mineral Resources Regulation 2013, Petroleum and Gas (Royalty) Regulation 2004 and State Penalties Enforcement Regulation 2014* to increase particular fees for the 2019-20 financial year with reference to the Government's approved indexation rate for 2019-20 of 2.25%⁸
- *Geothermal Energy Regulation 2012* to extend the royalty holiday by 10 years so that royalty will not be imposed on geothermal energy produced before 1 July 2030⁹
- *Land Tax Regulation 2010* to extend the current prescribed period in which land taxpayers must elect to use an extended payment option (EPO) from 21 days to 35 days¹⁰
- *Mineral Resources Regulation 2013* to allow an expired gross value royalty decision (GVRD) to continue pending the making of a new GVRD¹¹
- *Mineral Resources Regulation 2013* to clarify that, where coal, iron ore or uranium sold, disposed of or used during a return period is the subject of a GVRD, the average price per tonne¹² or kilogram¹³ is to be calculated with reference to the GVRD¹⁴
- *Mineral Resources Regulation 2013* to clarify the distinction between domestic and export coal¹⁵
- *Petroleum and Gas (Royalty) Regulation 2004* to clarify that, where a component of the wellhead value of petroleum¹⁶ is the subject of a petroleum royalty decision (PRD), the wellhead value must be calculated with reference to the PRD,¹⁷ and
- *Taxation Administration Regulation 2012* to remove the legislative restriction on the types of credit cards that can be used to pay amounts payable under a tax law, and instead allow such

⁶ Explanatory notes, p 1.

⁷ Australian Bureau of Statistics' data indicates that average weekly earnings effective from 1 July 2019 will be \$1,574.00, increasing from \$1,527.80 in the previous period. This represents an annual percentage increase of 3.02% when applied to each monetary limit under the *Motor Accident Insurance Regulation 2018*; Explanatory notes, p 2.

⁸ Explanatory notes, p 1.

⁹ Explanatory notes, p 2.

¹⁰ Explanatory notes, p 2.

¹¹ Explanatory notes, p 3.

¹² For coal or iron ore.

¹³ For uranium.

¹⁴ Explanatory notes, p 3.

¹⁵ Explanatory notes, p 3.

¹⁶ The 'wellhead value of petroleum' is calculated pursuant to Petroleum and Gas (Royalty) Regulation 2004, s 148(2), by calculating the amount the petroleum could reasonably be expected to realise if it were sold on a commercial basis, less the sum of expenses and any negative wellhead value deducted in the relevant royalty return period.

¹⁷ Explanatory notes, p 4.

amounts to be paid by Visa, MasterCard or another credit card approved by the Commissioner of State Revenue by a notice published on the Queensland Treasury website.¹⁸

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.5 SL No. 146 – Financial Accountability Regulation 2019

The objective is to remake the Financial Accountability Regulation 2009 which expired on 1 September 2019. The new regulation defines the necessary qualifications for a Chief Financial Officer and head of internal audit, as well as defining the accountable officer for particular entities.

There are no significant changes from the 2009 regulation to the new regulation.

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.6 SL No. 147 – Payroll Tax Regulation 2019

The objective is to remake the Payroll Tax Regulation 2009, which expired on 1 September 2019.

There are no significant changes from the 2009 regulation to the current regulation.

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

3.7 SL No. 148 – Statutory Bodies Financial Arrangements Regulation 2019

The objective is to remake the Statutory Bodies Financial Arrangements Regulation 2007 ('the 2007 regulation'), which expired on 31 August 2019. The explanatory notes detail the amendments from the 2007 regulation to the 2019 regulation:

The proposed amendments included in the Regulation are largely administrative in nature and reflect current practice or updated references to legislation and the bodies they prescribe. A change to section 4 of the 2007 Regulation (Financial accommodation) is required, to specify that operating leases are a type of borrowing for all statutory bodies, excluding universities and grammar schools. This is necessary to bring the SBFA Act [Statutory Bodies Financial Arrangements Act 1982] in line with current Australian accounting standard requirements.¹⁹

Committee comment

The committee identified no issues regarding the subordinate legislation's consistency with FLPs, or its lawfulness. The explanatory notes comply with the requirements of part 4 of the LSA.

¹⁸ Queensland Treasury, 'Payments and refunds', <https://www.treasury.qld.gov.au/budget-and-financial-management/revenue-and-taxation/payments-refunds/>.

¹⁹ Explanatory notes, p 1.

4 Recommendation

The committee recommends that the House notes this report.



Linus Power MP

Chair

October 2019

Economics and Governance Committee

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