

Q.S.U

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Research Director
Transport, Local Government and Infrastructure Committee
Parliament House
George Street
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TLGC

Inquiry into the Sustainable Planning and Other Legislation Amendment Bill 2011

The Queensland Services, Industrial Union of Employees (the QSU) represents the vast majority of salaried employees in Queensland Local Government including the Brisbane City Council. As representative of those employees we make the following submission in relation to the amendments to the Local Government proposed by the Sustainable Planning and Other Legislation Bill.

There are two amendments proposed in relation to employee superannuation.

The first amendment will allow an employee of the Brisbane City Council the ability to request that their employer agree to allow a reduction of the employee's contribution to the fund where they are experiencing financial hardship. This will allow a continuation of the arrangements which existed under the City Super Superannuation Scheme prior to the merger of that scheme with LG Super.

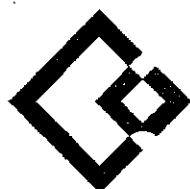
There is no capacity under the proposal for the employer to reduce contributions. Otherwise the arrangement will allow for a continuation of the City Super arrangements and as such as consistent with the general approach of the merger that there would be no impact on employees as a consequence of the merger.

The second proposal is to allow for a reduction of superannuation contributions for higher income employees due to the concessional contribution cap for superannuation.

The concessional contribution cap means that once contributions exceed \$25,000 per annum total tax on the contributions which exceed the limit will be at 46.5%. The proposed amendment will allow an employee in this situation to enter into an agreement with their employer to take the income which would exceed the concessional contribution cap as salary.

Important points are that the proposal

- o does not impact on the level of contributions fixed as the employer contribution,
- o does not require the employee to enter into any agreement and
- o ensures that the excess contribution is to be paid as salary which overcomes any potential for the true value of the excess contribution to become diluted



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Queensland Services, Industrial Union of Employees

The QSU strongly supports these amendments and commends the Government for proposing them and for consulting with all Stakeholders in the development of the legislation. We also believe that the legislation should proceed with some urgency because its passage will allow employees to better manage their taxation obligations and their circumstances generally if they are experiencing financial hardship.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kathrine Nelson', written in a cursive style.

**KATHRINE NELSON
STATE SECRETARY**