

Superannuation Guarantee (Administration) Amendment Regulations 1999 (No. 1) 1999 No. 316

EXPLANATORY STATEMENT

STATUTORY RULES 1999 No. 316

Issued by the Authority of the Assistant Treasurer

Superannuation Guarantee (Administration) Act 1992

Superannuation Guarantee (Administration) Amendment Regulations 1999 (No. 1)

Section 80 of *the Superannuation Guarantee (Administration) Act 1992* (the Act) provides that the Governor-General may make regulations prescribing all matters permitted or necessary for giving effect to the Act. The Act imposes a potential liability to the Superannuation Guarantee Charge on all employers. Under the Act and related provisions, all employers are required to provide a prescribed minimum level of superannuation support in each financial year for each employee. An employer that does not make a minimum level of superannuation contributions into a complying fund on behalf of his employees is required to pay the Superannuation Guarantee Charge. There are a number of exclusions to this requirement which are prescribed in the Superannuation Guarantee (Administration) Regulations.

Purpose

The purpose of the new regulations is to prescribe a further exclusion to the Act to be included in the Superannuation Guarantee (Administration) Regulations. Salary or wages paid to nonresidents who are employed solely in Olympic or Paralympic related employment are to be excluded from the Superannuation Guarantee.

Background

A large number of non-residents with specialist skills will be working in Australia for the Sydney Olympic and Paralympic Games. These non-residents would be subject to Superannuation Guarantee in the absence of any Government action.

The Superannuation Guarantee (Administration) Regulations currently prescribe exclusions to Superannuation Guarantee for employers of employees holding visa class 457s who satisfy the former visa class 413 criteria. These employees are very senior foreign executives who are working in Australia for a limited period of time. Prescribed salary or wages are currently limited to payments made under the Community Development Employment Program.

The Government has decided to allow an exemption from the Superannuation Guarantee to be provided in respect of non-residents employed for the Sydney 2000 Olympic and Paralympic Games.

As the regulations do not impact on business there is no requirement for a Regulation Impact Statement.

The regulations are described in detail in the attachment. The regulations commence on 1 January 2000 and are to apply to salary or wages paid for services provided from 1 January 2000 to 31 December 2000.

ATTACHMENT

Superannuation Guarantee (Administration) Amendment Regulations 1999 (No. 1)

Background

The *Superannuation Guarantee (Administration) Act 1992* (the Act) imposes a potential liability to the Superannuation Guarantee Charge on all employers. Sections 27, 28 and 29 of the Act contain exclusions to this potential liability. These exclusions are found in Regulation 7 of the Superannuation Guarantee (Administration) Regulations.

The Government has decided to allow an exemption from the Superannuation Guarantee to be provided in respect of non-residents employed for the Sydney 2000 Olympic and Paralympic Games.

Explanation of the Amendments

New Regulation 7AA of the Superannuation Guarantee (Administration) Regulations will ensure that prescribed salary or wages includes salary or wages paid to non-residents who are employed to:

- * provide administrative and organisational support for an official Olympic or Paralympic organisation;
- * compete in the Sydney 2000 Olympics or Paralympics;
- * provide administrative, organisational, training, coaching, medical or other support for an athlete who is competing in the 2000 Olympics or Paralympics;
- * provide media coverage of the Olympics or Paralympics;
- * undertake Olympic related employment with an employer under a labour agreement (as defined in the *Migration Regulations 1994*); or
- * undertake Olympic related employment with an employer who has a contract to provide a service at an Olympic or Paralympic site with one of more of the official Olympic or Paralympic organisations.

Official Olympic or Paralympic organisations are:

- * the Sydney Organising Committee for the Olympic Games;
- * the Sydney Paralympic Organising Committee;
- * the Olympic Co-ordination Authority;
- * the Sydney Olympic Broadcasting Organisation; and
- * the Olympic Roads and Transport Authority.

The exemption will apply in respect of salary or wages paid for employment performed between 1 January 2000 and 31 December 2000 and will only apply if the employer reasonably believes that the employee has not undertaken, and does not intend to undertake any nonOlympic related employment during this period.

Regulation 1 specifies the name of the regulations as the *Superannuation Guarantee (Administration) Amendment Regulations 1999 (No. 1)*.

Regulation 2 provides that the regulations commence on 1 January 2000.

Regulation 3 provides that Schedule 1 amends the Superannuation Guarantee (Administration) Regulations.

Schedule 1

Item 1 of Schedule 1 provides the name of the regulations as the *Superannuation Guarantee (Administration) Regulations 1993*.

Item 2 of Schedule 1 provides for the additional exclusion from the Superannuation Guarantee Scheme for salary or wages paid to non-residents employed solely and directly in Olympic or Paralympic employment from 1 January 2000 to 31 December 2000.