




Speech By  
**Adrian Tantari**

**MEMBER FOR HERVEY BAY**

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**SUPERANNUATION (STATE PUBLIC SECTOR) (SCHEME ADMINISTRATION)  
AMENDMENT BILL**

 **Mr TANTARI** (Hervey Bay—ALP) (12.36 pm): I rise to contribute to the debate before the House on the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021. The main objective of the bill is to facilitate QSuper's and Sunsuper's proposed structure for the merged fund by amending the Superannuation (State Public Sector) Act 1990. From the outset it must be noted that the bill protects the Queensland government's interests and the interests of Queensland government employees. I also note that I am a member of the QSuper fund.

The Palaszczuk government has supported the merger under several conditions, including that the merger is in the best interests of members, that members and stakeholders are kept informed of developments, that the government will continue to have access to expert technical superannuation advice about public sector superannuation arrangements and that their community service activities will continue to assist Queensland's vulnerable. Each of those key points has been met in the bill.

QSuper is the third largest superannuation fund in Australia with \$120 billion in total assets. Sunsuper is Australia's eighth largest fund with \$75 billion in total assets. The merged fund would have at least \$200 billion in net assets and two million members, mainly Queenslanders.

Both boards of QSuper and Sunsuper have agreed to merge the two funds, which will establish Australia's second largest superannuation fund, only behind AustralianSuper. As required by the bill, both funds provide assurances that public sector employees' defined benefit entitlements cannot be reduced, that a statutory framework for employees' contribution levels will be retained and that the merged fund will be based in Queensland. The bill ensures that the merged fund will preserve the entitlements of QSuper members and will protect Queensland's defined benefit liabilities. The bill also moves QSuper's trust deed from legislation to align the merged fund's governance structure with that of Australia's other largest superannuation funds.

Any changes that impact on member benefits, member contributions or government contributions can only proceed with the consent of the treasurer of the day. That is important, as this ensures Queensland government employees' contribution levels into accumulation accounts continue to have government control. The bill requires contribution levels to continue to be prescribed in Queensland legislation.

As stated in the Economics and Governance Committee report No. 15, the bill sets out that the merged fund will continue to be the Queensland government's default fund. In recognition of the complexity of the administration of superannuation, the bill extends the current review period for the default arrangement to up to 10 years after the funds merge, although that extension does not prevent a review in the meantime.

As the Treasurer indicated earlier, Queensland will continue to be the only state in Australia with a fully funded defined benefit scheme. The legislative guarantee to fund defined benefit entitlements continues intact. At this year's budget, in comparison, New South Wales, Victoria and Western Australia

were either in deficit or had a shortfall in funding with regard to their funds. The important matter to recognise here is that other states' defined benefit funds are not protected to the same extent the Queensland fund is. This legislation ensures the government's interests in funding defined benefits provides government control over the way defined benefit money held in the superannuation fund is invested.

It is important to note that the merged fund will be based in Queensland. I will repeat that: the bill ensures that the merged fund is based in Queensland, building on opportunities QSuper and Sunsuper have already provided as the state's largest superannuation fund and amongst the largest funds in the country. The merger is expected to anchor 2,000 jobs in Queensland, with the boards of both funds having made strong commitments around employment security for rank-and-file employees with existing employees being protected. The merged fund will compete nationally, but its headquarters will remain in Brisbane. The registered office, the main office and the majority of the trustee's business areas will remain in Queensland. All of this means increased account balances for members, higher retirement incomes and a boost to economic activity in Queensland which is what Labor government does well.

Superannuation arrangements before 1992 were, for most, a hit-and-miss affair, mainly set up under industrial awards and fiercely negotiated by the union movement in support of their members. Since being legislated just on 30 years ago by the federal Labor government led by the great Bob Hawke and Paul Keating, who understood that a national compulsory superannuation scheme was a way to provide a mechanism for Australians to save for their retirement, superannuation has given security and comfort to millions of predominantly working-class people.

I will show my age here, but I was there back then during the decade and a half of my non-superannuated working life, working from week to week to barely pay the family bills. Saving for retirement was something only the well-to-do and the rich did. My family and I were flat out trying to survive. The federally legislated superannuation guarantee introduced by the Keating Labor government in 1992 was a godsend. It meant that millions of Australians who otherwise would have been forced to rely on the age pension have, and will continue to have, an opportunity to retire with a much better standard of living, deserving of their sweat and toil in building our great nation. This was Labor government foresight that has now gone on to grow funds worth \$3.3 trillion, underpinning the wealth of our state and our nation.

For Queensland, the fund merger this bill provides will make us an even more attractive place for new businesses to invest in, enriching the state in the eyes of the world. Having a \$200 billion superannuation fund in Queensland reinforces that our state is the preferred destination for businesses to establish and grow as we move out of the COVID pandemic and is good for business.

The Palaszczuk government supports the fund's proposed governance model as it aligns with other large funds in Australia and is one that serves best a fund that is regulated by the Australian government, as most funds are.

In contrast to QSuper, the trustee of the merged fund will not be a statutory body. However, the Queensland government, which has a very significant interest as possibly the largest contributing employer to the merged fund, will continue to have representation on the trustee board. The very first board of trustees for the merged fund will be drawn from the existing trustees from both current boards. The Queensland government is confident that the proposed arrangements for trustee nomination and representation of the merged fund will result in the same great relationship as it currently has with QSuper's board of trustees.

When the boards of QSuper and Sunsuper first approached the government about their proposal to merge, the government indicated its in-principle support based on several non-negotiables, one of which was providing assurance that the merger was in the members' best interests. The funds have provided forecast data that showed administrative costs will reduce and investment performance will improve in the merged fund which the government is satisfied will be passed on to members through lower fees and higher returns. This data also reinforces the reasons the Australian government is encouraging superannuation funds to merge.

As a member of the Economics and Governance Committee, I would like to put on the record a big thank you to the committee secretariat for their work in assisting the committee through its inquiry process on this bill and note that most feedback the committee received during consideration indicated that respondents were generally satisfied that the relevant matters and issues related to the merger had been canvassed and resolved. This merged fund will serve the people of Queensland well and will continue to build on the Palaszczuk government's economic recovery plan moving forward, turbocharging Queensland retirement incomes for many decades to come. I support the bill before the House.