




Speech By  
**Amy MacMahon**

**MEMBER FOR SOUTH BRISBANE**

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Record of Proceedings, 26 October 2021

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

 **Dr MacMAHON** (South Brisbane—Grn) (3.27 pm): It is crucial that no worker is left worse off as a result of this merger. We are being asked to sign off on a bill that is being rushed through an inquiry on the shortest possible time frame. The standing orders say that an inquiry should conclude within six months of a bill coming to parliament but that six weeks is the absolute minimum the government can reduce this to. Of course, the government runs a six-week inquiry for every possible bill they can. Like so many other details regarding the way this government runs, they cut corners, have no interest in debate and do the absolute minimum to support transparency in the parliament.

We have just a few hours to debate this today because of an administrative error to do with the incoming Governor's pension—big democracy vibes from the government. They had a grand total of nine submissions and one supplementary submission in the compressed time line on a bill that will affect the retirement benefits of two million people by facilitating the merger between Sunsuper, a large multi-industry fund based in Queensland, and QSuper, the default fund for Queensland Public Service employees.

I pick up on the issue of total and permanent disability, TPD, insurance, which two of the submitters to this inquiry made strong representations about. These concerns were not dealt with in detail by the Economics and Governance Committee and they have not been dealt with in the bill or any amendments to it.

TPD insurance is a little known feature of most superannuation funds which provides a financial safety net when permanent injury or illness makes it difficult or impossible to return to work. The terms will vary from insurer to insurer but generally involve the payment of a lump sum once a worker's total and permanent disability has been assessed. Any financial counsellor will tell you that TPD is a critical form of insurance for many people on a low income because of reduced work capacity and that it is underaccessed.

Both Maurice Blackburn, a huge plaintiff law firm, and the police union raised concerns about Sunsuper's TPD offering in strong terms. Both of these organisations have a fair bit in common with the government on most issues, so it is all the more significant that they have broken ranks on this one. To be clear, it is very rare for me to line up with the police union on any issue, but here they have made an important contribution.

Maurice Blackburn explains how for five years Sunsuper has used an insurance product called TPD Assist for its 1.3 million members and that this 'product is a significant deviation from the traditional insurance against total and permanent disability'. As the police union says, this product is 'at odds with many traditional insurance products contained within super funds'. Instead of receiving a lump sum, Sunsuper members get their benefit in five instalments over six years. They have to reapply and re-provide their total and permanent disability documentation every year, requiring ongoing medical assessments and compulsory rehabilitation every year in some cases.

As a plaintiff firm, Maurice Blackburn details the unnecessary stress, mental health impacts and financial impost caused by this insurance product. They detail how even folks experiencing paraplegia or who have lost an entire limb do not qualify for the lump sum. The police union, too, speaks of the protracted and difficult process for members, rather than an approach that would be 'more dignified and appropriate for those members suffering from an injury or illness that they will not recover from'. They explain how no other industry fund uses this method of drip-feeding TPD benefits. It is entirely unique to Sunsuper.

Maurice Blackburn further details how the TPD Assist product excludes liability for insured members whose 'financial affairs are under the supervision of a third party due to their medical conditions or incapacity'. The effect of this is that workers with their finances administered by the Public Trustee pay full insurance premiums but only receive death cover.

It is obvious that these arrangements unfairly impact the most vulnerable people in the community. People with a disability have to steel themselves for exclusion every day. They have to steel themselves for rigorous government assessments. Like First Nations people, they have been left behind in the COVID-19 vaccine rollout and, as we recently learned in estimates, some of them have been left behind in the NDIS rollout here in Queensland with little ongoing support from the Queensland government in light of their ineligibility for the federal scheme.

To genuinely meet its own policy objectives and enhance workers' benefits, this bill should ensure that no worker is worse off as a result of this merger. A key way to start on that road is to ensure Sunsuper scraps TPD Assist in favour of a fair insurance product like any other applying to industry fund members in Queensland. Without this, as Maurice Blackburn sets out in its submission, we risk a fund which has the Queensland government as a trustee and provides outcomes for injured workers which are well below both industry standard and community expectations.

At best, in failing to ensure workers can access industry standard insurance, the government is cutting corners in keeping with its entire approach to this bill. At worst, the government is wilfully exposing millions of Queenslanders to an outcome which is well below what they deserve.