Speech By
Bart Mellish

MEMBER FOR ASPLEY

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

Mr MELLISH (Aspley—ALP) (12.53 pm): I am pleased to hear the member for Buderim endorse CBUS Super and industry super in general. I am sure he would extend that praise to the incoming chair of CBUS Super if he cares to look that up.

Superannuation funds in Australia broadly fall into five main categories: industry funds, retail funds, public sector funds, corporate funds and self-managed funds.

Mr Brown interjected.

Mr MELLISH: I will take the interjection from the member for Capalaba. For more than 100 years QSuper has been the public sector super fund for current and former Queensland government employees and their spouses. Since 2017 they have been open to all Australians to join. Their history predates the introduction of compulsory superannuation by federal Labor in the early 1990s by many years. Contrastingly, Sunsuper has only been around since 1987.

Both of them are essentially profit-for-members funds, solely focused on helping their members, in the public service and otherwise, achieve their best retirement outcome. They do this by earning strong, long-term investment returns and charging lower fees. They do not have shareholders that need dividends and they do not clip the ticket with high fees like many retail super funds. In outcomes they are similar to successful industry super funds. In fact, I think APRA even classes Sunsuper as an industry fund for their purposes.

As we know, 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. The bill protects the government's interests and the interests of Queensland government employees. When the boards of QSuper and Sunsuper first approached the government about their proposal to merge, the government indicated its in-principle support because it could see the likely benefits for members. The government has had to be certain that it was in the members' best interests for the funds to merge as the main driving goal.

This is of course why the federal government and their agencies such as APRA are encouraging superannuation funds to merge. The benefits of scale are there for all to see. The funds have provided forecast data that shows the administrative costs will reduce and investment performance will improve in the merged fund. The government is satisfied this will be passed on to members through lower fees and higher returns. The funds have also reassured the government that they are being open and transparent with their members about the merger—another condition of the government in allowing the merger to occur.

The merger will establish Australia's second largest superannuation fund, behind only AustralianSuper. The merged fund would have $200 billion in net assets and two million members, mainly Queenslanders. The benefits to Queenslanders will be tremendous. It will be a super-duper super fund, if you will. The merged fund will continue to be the Queensland government's default fund. I, of course, declare that it is my superannuation fund, as it is for most members in here.

To ensure 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. We are also ensuring that the merged entity will be based in Queensland. The legislative guarantee to fund defined benefit entitlements continues intact. Queensland will continue to be the only state in Australia with a fully funded defined benefit scheme.

I note that New South Wales's defined benefit fund was $68 billion in deficit and Victoria's has a shortfall, as does Western Australia. We can compare Queensland's prudent approach—with a fully funded defined benefit scheme—to what is happening in New South Wales and we find that it is over $68 billion in deficit in addition to having a debt-to-revenue ratio of 130 per cent in their latest budget. Worryingly, New South Wales has recently started trying to play riskier parts of the stock market to recoup some of their losses, like a gambler looking for one big win to get them square. A *Financial Review* article in August this year titled 'NSW's "risky" $10b bet on markets' reads—

> The NSW government will borrow more than $10 billion to inject money into a fund buying stocks and other global financial market assets, in an under-the-radar budget strategy that public finance and credit analysts warn will put taxpayer money at risk.

While we are sensibly merging super funds to help Queenslanders in retirement even more, New South Wales is taking their money down to the horse track to see how it goes.

To protect the government's interests in funding defined benefits, the bill provides government control over the way defined benefit money held in the superannuation fund is invested. This merger essentially means increased retirement incomes for Queenslanders and a boost to economic activity in Queensland. Queensland is an attractive place for new businesses to invest in, proven again this month with new billion dollar investments in our hydrogen industry in particular. Having a $200 billion superannuation fund in Queensland reinforces that this state is the preferred destination for businesses to establish and grow. I commend the bill to the House.