




Speech By
Brent Mickelberg

MEMBER FOR BUDERIM

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

 **Mr MICKELBERG** (Buderim—LNP) (12.45 pm): I rise to address the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021. I note at the outset that the LNP will not be opposing this bill, which seeks to merge QSuper and Sunsuper and will create the second largest superannuation fund in Australia. As has been noted by others, the merged fund will have roughly two million members, including most Queensland state government employees. While this bill is largely technical in nature, the implications of the bill will affect many Queenslanders. On that note, I should declare that I am a member of QSuper as the default state government superannuation fund, as declared on my Register of Members' Interests.

I note that all submissions to the committee process supported the bill, with Maurice Blackburn observing that Sunsuper's total and permanent disability insurance provisions are inferior to other funds.

Outside of their home, for most Australians superannuation is their largest asset. It is an important asset that is designed to provide independence and options for Australians after they finish work. Australia's superannuation system is a system that relies on trust—trust so that Australians can have confidence that the custodians of their retirement savings act in their best interests. That is why it is important that this bill gets the settings right.

I understand the desire for mergers such as the one we are addressing today, which seeks to create efficiencies as operating costs are shared across a larger membership base. The rationale for this merger between QSuper and Sunsuper also has the benefit of diversifying the age and distribution of members of the funds, because Sunsuper has a considerably younger membership than QSuper. That is important to ensure that superannuation funds are sustainable for the long term.

Disappointingly, in the last seven years we have seen this Labor state government dip their hand into the accrued employer fund which is set aside to pay for the state government's public sector defined benefit superannuation obligations, and they have done that many times. When it has been politically expedient to bail out their consistent mismanagement of the budget, Labor have raided funds set aside for their superannuation obligations to public servants. In doing so, they have exposed Queenslanders to greater risk that there will be insufficient funds to meet future defined benefit obligations.

Government members interjected.

Mr MICKELBERG: If you sit there and listen, you might actually learn something. I acknowledge that the defined—

Government members interjected.

Mr DEPUTY SPEAKER (Mr Hart): Order, members! Please direct your comments through the chair.

Mr MICKELBERG: I know that those opposite do not like it when we criticise them for raiding public servants' superannuation funds. I acknowledge that defined benefit pensions of Queensland public servants are protected in law, but raiding the funds set aside to meet those obligations at a time

when the market is at its peak is irresponsible, and it exposes Queensland taxpayers to potentially needing to tip in more cash to meet those obligations in the future, particularly when market conditions are not so rosy in the future. It is irresponsible, it is reckless and we have seen this government do it too many times.

As was mentioned by the shadow Treasurer, it is clear that the Australian Prudential Regulation Authority believes that the superannuation industry is not delivering the right outcomes. The chair of APRA, Wayne Byres, said last year—

Trustees have not always been focused on members' best interests ...

and—

... aggregate fees and costs are too high, insurance has not always been good value for money and there has been too much inefficiency in the system.

While I recognise that some other super funds have a greater number of issues, such as those mentioned by Mr Byres, QSuper and Sunsuper are not immune from those same criticisms.

In my previous employment, providing advice to small and family businesses, too often I dealt with people who were unable to claim on insurance held within their superannuation when they needed it most. Queenslanders deserve better than to pay for insurance through an entire working life, such as total and permanent disability insurance or income protection insurance, and then find that it does not pay out when they need it most due to a technicality. I urge the combined entity and those who oversight it to ensure that the insurances offered actually meet the needs of their members.

Additionally, I would urge caution to ensure that board members are appointed because of the skills they bring to the board not because they satisfy some ulterior motive to provide a job to a union or Labor mate.

Government members interjected.

Mr DEPUTY SPEAKER (Mr Hart): Pause the clock. Member for Pine Rivers and member for Maryborough, cease your interjections.

Mr MICKELBERG: Just last week we saw CFMEU state secretary Michael Ravbar attack industry super fund CBUS because they sought to act in the best interests of their members, rather than comply with union demands. In their criticism of CBUS CEO Justin Arter, the CFMEU criticised CBUS's approach to EBA negotiations and described CBUS's approach as 'cynical corporate hypocrisy at its worst' and 'bastardry', and encouraged CFMEU members to change funds away from CBUS.

Mr DEPUTY SPEAKER: Member for Buderim, I ask you to withdraw that unparliamentary word. I realise you are quoting somebody else, but we cannot do that.

Mr MICKELBERG: I withdraw. They encouraged CFMEU members to change funds away from CBUS. Despite the fact that CBUS is acting in the best interests of its members, they have been attacked by the CFMEU for not complying with union demands. The fact that some CBUS members may also be CFMEU members does not absolve the CBUS trustees from acting in the best interests of all CBUS members. Industry super funds do not exist to serve at the whim of union masters and should always act in the best interests of superannuation members. Without careful management and a focus on members' interests, the same situation could exist in the merged fund.

This merger is an opportunity to drive Queensland's financial services industry and it will result in a broadly superior outcome for QSuper and Sunsuper members as they sit now. That is why we will not be opposing the bill, but that is not to say there is not room for improvement in the superannuation offering that is currently the default superannuation offering for Queensland public servants. Superannuation offerings for Queenslanders should always act in their members' best interests and not in those of their union masters or for some ulterior motive.

We will not be opposing this bill. However, I would ask that the 13 board members who sit on the combined entity always act in the interests—

Government members interjected.

Mr MICKELBERG: It is interesting to hear those opposite chirping when a few of them have a history of emailing mates about appointments on different boards and different industry super fund mergers. One of them over there is a little quiet at the moment because he has a bit form on this. We know that those opposite are owned by their union masters. Unfortunately, they would like to see industry super funds also owned by their union masters. Their track record speaks for itself. The Minister for Transport and Main Roads is not chirping too much because he knows his track record is that he would like to see—

Mr MADDEN: I rise to a point of order, Mr Deputy Speaker. I do not see how this affects the bill. I would ask that you get the member to return to the long title of the bill.

Mr DEPUTY SPEAKER: Member for Ipswich West, there is no point of order. I have been listening closely to what the member for Buderim has been talking about and note that he is talking about board composition.

Mr MICKELBERG: It is interesting to see the member for Ipswich West defend his left faction union mates after he defected from the right faction. Well done, member for Ipswich West. I am sure that will win you some brownie points. Hopefully we will see him as the minister for agriculture in the not too distant future.

Government members interjected.

Mr DEPUTY SPEAKER: Members, I am going to start warning people shortly. We have had a peaceful debate up until now. I understand the member for Buderim is being a little provocative, but I will start warning members for their interjections. Minister for Public Works, you will cease your interjections.

Mr MICKELBERG: We will not be opposing the bill. As I said, I call on the 13 board members who are subsequently appointed to act in the best interests of their members at all times.