




Speech By
Hon. Cameron Dick

MEMBER FOR WOODRIDGE

Record of Proceedings, 1 September 2021

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

Message from Deputy Governor

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Investment) (11.15 am): I present a message from His Excellency the Deputy Governor.

Mr SPEAKER: The message from His Excellency the Deputy Governor recommends the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill. The contents of the message will be incorporated in the *Record of Proceedings*. I table the message for the information of members.

MESSAGE

SUPERANNUATION (STATE PUBLIC SECTOR) (SCHEME ADMINISTRATION) AMENDMENT BILL 2021

Constitution of Queensland 2001, section 68

I, WALTER SOFRONOFF, Deputy Governor, recommend to the Legislative Assembly a Bill intitled—


A Bill for an Act to amend the Public Officers Superannuation Benefits Recovery Act 1988, the Right to Information Act 2009, the Superannuation (State Public Sector) Act 1990 and the legislation mentioned in schedule 1 for particular purposes, and to repeal the Superannuation (State Public Sector) Deed 1990

DEPUTY GOVERNOR

Date: 1 SEP 2021

Tabled paper: Message, dated 1 September 2021, from His Excellency the Deputy Governor recommending the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021 [1302](#).

Introduction

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Investment) (11.16 am): I present a bill for an act to amend the Public Officers Superannuation Benefits Recovery Act 1988, the Right to Information Act 2009, the Superannuation (State Public Sector) Act 1990 and the legislation mentioned in schedule 1 for particular purposes, and to repeal the Superannuation (State Public Sector) Deed 1990. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the Economics and Governance Committee to consider the bill.

Tabled paper: Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021 [1303](#).

Tabled paper: Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021, explanatory notes [1304](#).

Tabled paper: Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021, statement of compatibility with human rights [1305](#).

I am pleased to introduce the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021. The bill will facilitate the proposed merger between QSuper and Sunsuper, two equally strong and respected funds. This follows advice by their boards that a merger is in the best interests of their members.

Everyone deserves to be able to retire with dignity and security. The fundamental objective of Australia's superannuation system is to ensure that hardworking Australians can enjoy a secure standard of living once they retire. Australia's modern system of superannuation was built by the Australian Labor Party. Since Australia's system of compulsory superannuation was established by the Keating Labor government 30 years ago, our national pool of retirement savings has grown to over \$3 trillion. Superannuation has measurably improved the standard of living of millions of Australians, who would otherwise be forced to rely on the aged pension.

Australia's superannuation sector is currently undergoing a period of significant and accelerated consolidation. Recent examples include Aware Super, which was created from the merger of First State Super and VicSuper in July 2020, and MTAA Super and Tasplan, which became Spirit Super earlier this year. LGIA Super and Energy Super have also merged, as have Cbus and Media Super.

The bill that I introduce today is a further significant milestone in Australia's superannuation history. It will facilitate the creation of the second largest superannuation fund in Australia, to be headquartered right here in Queensland. The merged entity would be a financial powerhouse, based in Queensland, with an estimated \$200 billion in net assets and two million members. Having such a significant financial institution based in our state would reinforce Queensland's position as a preferred investment destination.

The merger will be good for members and it will be good for Queensland. The merged fund, like both QSuper and Sunsuper today, will be a profit-for-member fund. That means its only goal is to maximise the return for its members. The greater membership size will allow the new fund to distribute costs across a larger membership base and thereby reduce the cost per member. The funds have indicated that fees will be able to be reduced as a result of this merger. At the same time, the boards of both funds have made strong commitments around employment security for rank-and-file employees, with the merger expected to anchor 2,000 jobs in Queensland. As the new fund grows, it will open opportunities for new jobs for skilled professionals in investment, information technology and customer engagement.

The bill ensures that the existing entitlements and benefits of QSuper members are preserved following the merger, including those of defined benefit members. I declare for the benefit of the House that I am a member of the QSuper fund. This is achieved by the consolidated trust deed of the merged fund continuing the provisions of the current QSuper trust deed. Any changes to the defined benefit category rules are subject to government consultation and cannot alter the member's benefit design in a detrimental way. Importantly, the state's guarantee in respect of QSuper defined benefit members will continue to be enshrined in legislation. Queensland continues to be the only state in Australia with a fully funded defined benefit superannuation scheme. As at this year's budget, WA's defined benefit fund was \$7 billion in deficit, Victoria had a \$31.2 billion shortfall and the New South Wales scheme administered by the Berejiklian Liberal government was \$68 billion away from full funding.

The board of the merged fund will consist of 13 members from the existing funds, with the current QSuper Chair, Mr Don Luke, to serve as its chair. The board comprises directors with strong commercial acumen and a range of unique but complementary skills, setting the merged fund up for further success. The Queensland government will continue to be represented on the board given its role as the fund's largest employer sponsor. The superannuation contribution arrangements for state public sector employees and related entities are prescribed under the QSuper deed. These arrangements will continue under the merged fund's trust deed until they are prescribed by regulation, which will be made within 12 months after the commencement of the bill. This structure reflects the state's role to set the superannuation conditions for its employees as part of the broader remuneration framework. The merged fund will continue as the Queensland government's default fund, but the review period for the default arrangements will be extended by 10 years. However, that 10-year extension does not prevent a review in the meantime. A similar arrangement applies for LGIASuper, the fund for Queensland local government employees, which merged with Energy Super on 1 July 2021.

An amendment to the Public Officers Superannuation Benefits Recovery Act is an administrative change that introduces a power of delegation from the minister to the chief executive of the administering department. The delegation would permit the chief executive to agree on the amount to be recovered and enter into an agreement with a publicly funded superannuant convicted of a prescribed offence. An amendment to the Right to Information Act 2009 removes the application of this act to the QSuper board once it has ceased to be a statutory body. A range of minor consequential amendments are made to the City of Brisbane Act 2010, the Governors (Salary and Pensions) Act 2003, the Industrial Relations Act 2016, the Judges (Pensions and Long Leave) Act 1957, the Land Court Act 2000, the Local Government Act 2009, the Parliament of Queensland Act 2001, the Superannuation (Public Employees Portability) Act 1985 and the Statutory Instruments Act 1992. This bill delivers support for the creation of the second largest superannuation fund in Australia. The fund

will be Queensland based and will build on the successful legacy of both QSuper and Sunsuper. The merger will be good for Queensland and, what is most important, good for members. I commend the bill to the House.

First Reading

Hon. CR DICK (Woodridge—ALP) (Treasurer and Minister for Investment) (11.23 am): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to Economics and Governance Committee

Mr DEPUTY SPEAKER (Mr Krause): Order! In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.