



Speech By  
**Hon. Cameron Dick**


**MEMBER FOR WOODRIDGE**

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Record of Proceedings, 26 October 2021

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

**Second Reading**

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (4.40 pm), in reply: I thank all those members of the House who provided their support for this bill. The bill supports the merger of QSuper and Sunsuper and the consequential changes in fund governance while protecting members' entitlements and the QSuper defined benefit scheme. The proposed merger of these two funds will create the second largest superannuation fund in the country, will serve two million members, will manage \$200 billion of members' funds and will anchor 2,000 jobs in Queensland. The proposed merger will be good for members, good for jobs and good for Queensland.

I welcome members' support for the bill, including the contributions outlining the history of QSuper and Sunsuper as proud Queensland entities. As I noted in my opening remarks, this legislation builds on the proud legacy of superannuation in Australia and Queensland.

I would like to address several points raised by honourable members during the debate. Members noted the proposed size of the merged fund's board. It will be a 13-member board, which is within industry norms, particularly given the fact that the merged fund will become the second largest in Australia. Cbus, Australia's 15th largest fund, has a 14-member board; HESTA, the 14th largest fund, has a 14-member board; Aware Super, currently the second largest fund but soon to be eclipsed by the merged fund, has 15 board members; and Australian Super, the country's largest fund, has 12 board members and six alternate directors.

As I have noted for the merged fund, our government will retain a stake in board membership by having a say in the appointment of two employer representative directors. While it might confound some of the anti-worker sentiments of those opposite, our government is pleased that the board will also include six employee representatives nominated by Queensland unions. We are proud to have those provisions included in the bill.

**Ms Grace:** Real, registered unions.

**Mr DICK:** I take the interjection of the Minister for Industrial Relations—real unions, not fake unions that endanger workers by promoting anti-vaccination views.

For all of the high-minded talk from those opposite supporting the merger and supporting superannuation, the LNP forgets that without the Australian trade union movement we would not have the superannuation scheme that they are lauding today. I also remind those opposite that the trustees administering the fund have a legal duty to act in the best interests of members. This accords with their duties as fiduciaries and under the Commonwealth Superannuation Industry (Supervision) Act 1993.

Independent directors must also meet strict criteria enforced by the Australian Prudential Regulation Authority. An independent director must not be a member of the fund and must be neither an employer sponsor of the fund nor an associate of such an employer sponsor; must be neither an employee of an employer sponsor of the fund nor an employee of an associate of such an employer

fund; must not be a representative of a trade union or other organisation representing the interests of one or more members of the fund; and must not be in any capacity a representative of an organisation representing the interests of one or more employer sponsors of the fund.

I also note in passing that the member for Mermaid Beach expressed a concern with a former Labor treasurer managing his money—a truly odd contribution given that the member also noted that he was already a member of Sunsuper, which is currently chaired by the same former Labor treasurer. Money talks! It is stranger still that, with the well-known benefits of consolidating your personal superannuation accounts, the member for Mermaid Beach has had to wait for a Labor government to go one bigger and merge his super funds.

**Mr Power** interjected.

**Mr DICK:** Thank you, member for Logan. Some members expressed concern about the fees charged by superannuation funds. Indeed, an article published today in the *Australian Financial Review* notes—

For-profit super funds are slugging members twice as much in administration fees as not-for-profit funds.

QSuper and Sunsuper are profit-for-member funds—structures which ensure that members' fees are minimised. The merged entity will also be a profit-for-member fund with no shareholders, which means everything it does will be for the benefit of its members.

Members also drew attention to the important considerations of the age and gender distributions of superannuation fund members. Our government wants all Australians and all Queenslanders to have access to superannuation and a dignified retirement. I am pleased to note that more than 60 per cent of the merged fund's members will be aged 45 or younger—some will be older—and more than 50 per cent of the merged fund's members will be women. As a Labor government, we do not just want women proportionately represented; we want gender pay gaps closed and super balances boosted to reflect women's significant contribution to the workforce, the Queensland economy and the Australian economy.

Other members raised questions about the defined benefit fund. I said it earlier today and I will say it again for the benefit of those opposite: Queensland is the only state in Australia with a fully provisioned public sector defined benefit superannuation scheme. The Auditor-General has noted that the government should ensure sufficient investments are available to make future payments to retirees. On a funding basis—the standard measure of funding based on the expected rate of return of assets—the defined benefit scheme is in surplus. That means the scheme will have more money than will be needed to cover the benefits of fund members when they retire. Remember, those benefits are, by definition, defined. It says it in the name. To talk about raids on the scheme is simply nonsense. Members' benefits are assured and they are guaranteed by law. The member for Buderim might style himself as a Warren Buffett and he might predict that we are at the top of the market.

**Mr Mickelberg** interjected.

**Mr DEPUTY SPEAKER** (Mr Martin): Member for Buderim!

**Mr DICK:** If he thinks that, he is welcome to go and try a Big Short with his own money, but he will be betting against the State Actuary, who notes that the defined benefit fund will be sufficient to cover benefits.

**Mr Mickelberg** interjected.

**Mr DEPUTY SPEAKER:** Pause the clock. Member for Buderim, you continued to interject even after I called you out. You are warned under the standing orders.

**Mr DICK:** If the LNP are worried about defined benefit funds falling short, they should check in with their colleagues in New South Wales where, under the Perrottet Liberal government, the defined benefit fund is almost \$70 billion in deficit.

Members, including the members for Mermaid Beach and Buderim, raised questions about the insurance policies in the merged structure. If a member holds death and total and permanent disablement policies with QSuper and Sunsuper and both policies fall due, I am advised that they would retain the insurance arrangements that prevailed at the merger date. I am also advised that a member holding multiple accounts with death and TPD insurance will be able to claim both death and TPD from all of their accounts, subject to the terms of their cover.

Further on TPD insurance, I am advised that Sunsuper's default insurance product includes two key elements: first, early intervention which allows members to access the benefits of proactive occupational rehabilitation without lodging a claim; and, second, TPD Assist, which provides for up to six individual lump sum payments over a five-year period, along with proactive occupational rehabilitation and return-to-wellness programs.

If a member returns to wellness and work prior to using their full insurance benefit, any unused insurance is then retained. The product aims to balance the need to assist members financially and emotionally when they need it most as well as ensure insurance premiums are sustainable and not eroding members' retirement benefits. The product is the default insurance for Sunsuper members who have the option to change to a lump sum style product. All QSuper members will retain their current insurance, including the current lump sum TPD product. QInsure will remain the insurer for public sector employees. QInsure is experienced at providing cover to QSuper members in higher risk employment categories such as police and emergency services, correctional officers and nurses.

In conclusion, I take this opportunity to express my appreciation to all of those who have contributed to this process. Starting with Treasury, I would like to particularly thank Leon Allen, Under Treasurer, and Treasury staff for their support in preparing this bill. Furthermore, I would like to thank the QSuper team who perform work for the government superannuation office without whose advice and support this bill would not have been possible. I would also like to thank Mr Don Luke, chair of QSuper, and Mr Andrew Fraser, a former Queensland Labor treasurer and chair of Sunsuper, and their staff for their support in ensuring the bill met the needs of the merged fund while protecting their members' benefits, as well as the economic benefits of a superannuation powerhouse being based in our home state of Queensland. I commend the bill to the House.