Speech By

Corrine McMillan

MEMBER FOR MANSFIELD

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

Ms McMILLAN (Mansfield—ALP) (4.17 pm): I rise to make my contribution to the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill 2021. Before doing so, I declare that I am a holder of a QSuper defined benefit fund account, the result of 24 years serving as a teacher and school administrator and four years as the state member for Mansfield.

Mr Bleijie: You're going to join TPAQ. Have you transferred your membership to TPAQ?

Honourable members interjected.

Madam DEPUTY SPEAKER (Mrs Gerber): Order, members!

Ms McMILLAN: Whilst I am declaring, I will declare that I am a proud Queensland Teachers' Union member—

Mr Bleijie: You're paying too much!

Ms McMILLAN:—a proud Queensland Teachers' Union member, a proud member of the QTU of 28 years. It was in 1983 that the Hawke Labor government expressed support for the principles of employee superannuation and in 1986 it joined with the Australian Council of Trade Unions in seeking a universal three per cent superannuation contribution by employers to be paid into an industry fund in lieu of a wage rise for workers. This accord was endorsed by the Conciliation and Arbitration Commission in February 1986.

By 1988, 51.3 per cent of Australian employees were covered by super, rising to 64 per cent by 1990. Arguably Keating's most far-reaching achievement as Prime Minister was the full introduction of the national superannuation scheme implemented to address Australia's long-term problem of chronically low national savings and, of course, to improve the lives of working men and women. In 1992, under the Keating Labor government, the compulsory employer contribution scheme became part of a wider reform package addressing Australia's retirement income dilemma. Today around 15.6 million Australians currently have a super account and as a result of recent federal government legislative reform, from 1 July 2021 to 1 July 2025 the superannuation guarantee will increase from 9½ per cent to 12 per cent in 0.5 per cent increments, something that Keating should be very proud of.

QSuper is the third largest superannuation fund in Australia, with $120 billion in total assets. Sunsuper is Australia's eighth largest fund, with $75 billion in total assets. The boards of QSuper and Sunsuper have agreed to merge the two funds. A merger would establish Australia's second largest superannuation fund behind only AustralianSuper. The main objective of the bill is to facilitate QSuper and Sunsuper's proposed structure for the merged fund by amending the Superannuation (State Public Sector) Act 1990. Sunsuper and QSuper detail the new super fund will have the scale to deliver outstanding services, greater efficiencies and lower costs for members. The merger is part of a broader trend sparked by calls from APRA for super funds to reduce complexity for members by merging. The regulator was given stronger powers to take action against the trustees of underperforming funds in early 2019 following recommendations made by the much needed banking royal commission.

Companies seek mergers for a variety of reasons, as we know: to gain access to a larger market and customer base, to reduce competition and to achieve economies of scale. By combining business activities, overall performance efficiency tends to increase and across-the-board costs tend to drop due to the fact that each company leverages off the other company's strengths. Mergers provide an opportunity to grow market share without doing significant heavy lifting. Many merger deals help eliminate future competition and assist the larger market share.

The bill protects the government's interests and the interests of Queensland government employees. Government supported the merger under several conditions, including that the merger is in the best interests of members and that members and stakeholders are being kept informed of developments. The government will continue to access expert technical superannuation advice about public sector superannuation arrangements. I note the contribution of the member for Kawana. We must not make the assumption that union members, or for that matter members of the Labor Party, are uneducated and do not warrant a position on those boards.

Their community service activities will continue to assist Queensland's vulnerable and that is an important aspect associated with the values of the great Australian Labor Party. The funds provide assurances that public sector employees' defined benefit entitlements cannot be reduced, that a statutory framework for employees' contribution levels will be maintained and that the merged fund will remain here in Queensland. The government supports the fund's proposed governance model as it aligns with the other largest funds in Australia and is one that serves best a fund that is regulated by the Australian government, as most funds are. The funds have provided forecast data that show the administrative costs will reduce and investment performance will improve in the merged fund, which the government is satisfied will be passed on to members through lower fees and higher returns.

The merged fund will continue to be the Queensland government's default fund. The bill ensures that the merged fund will preserve the entitlements of QSuper members and will protect the government's defined benefit liabilities. I commend the work of the Treasurer, his department, certainly the chair of the committee and the committee members and I commend this bill to the House.