




Speech By
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MEMBER FOR LOGAN

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

 **Mr POWER** (Logan—ALP) (12.04 pm): I stand to speak in support of the Superannuation (State Public Sector) (Scheme Administration) Amendment Bill. As chair of the Economics and Governance Committee, I wish to inform the House of the role of the committee in examining the bill. On 1 September 2021, the bill was introduced to the Legislative Assembly by the Treasurer and Minister for Trade and Investment and referred to the committee for examination. The committee was required to report by 15 October 2021. During the process, we invited written submissions on the bill and identified stakeholders. We received nine submissions from a variety of people involved in superannuation administration and industry, including: the Chamber of Commerce & Industry Queensland; the Queensland Nurses and Midwives' Union; the institutions of QSuper and Sunsuper—and there was a supplementary response to questions raised during our hearings; the Australian Institute of Superannuation Trustees; LGIASuper; Maurice Blackburn Lawyers; the Queensland Council of Unions; the Queensland Police Union of Employees; and, of course, the Australian Workers' Union Queensland.

It is important that in this place we should declare any interests. So many of us—in fact, probably all of us—have an interest in either QSuper or Sunsuper. Of course, I have that interest. It is a very broad interest, and we have the same interest as thousands of Queenslanders. It is not required for all members to declare that because it is such a broad interest in terms of the laws we are debating, but I make that comment for all MPs.

The committee received submissions and had a written briefing on the bill from Queensland Treasury prior to the public briefing by department officials on 13 September. We also requested some written advice from Treasury in response to some issues raised in submissions and other matters. We considered holding a public hearing and there was broad discussion amongst the committee about that. We invited stakeholders to express an interest in participating. We noted that from the beginning there was widespread support from submitters and decided not to proceed with a hearing, given respondents indicated they were generally satisfied with the relevant matters canvassed in the written submissions and in the examination of the bill by Queensland Treasury at the public briefing. We thank all of the submitters and Queensland Treasury for the information they provided to the committee and note the broad support this has from those who submitted.

The objectives of this bill are to enable and support the merger of QSuper and Sunsuper, to retire the board of QSuper and to move the trust deed for QSuper out of legislation. Committee members were concerned that this entity continues to be based in Queensland. It is really important that we ensure this institution continues to be based in Queensland. It is an attractive institution. More and more people are putting their superannuation into it, and we will see that grow across Australia. However, we want it to continue to be based in Queensland. We want this to continue to be part of a strong financial sector—an anchor for this growing industry.

We in Queensland—and in Brisbane particularly—have suffered so much from the domination of southern capitals in the banking and finance sector. We want this legislation to be a springboard to continuing to grow. We know that Queensland is the most attractive place to do business and is an excellent place to base a financial institution, to strengthen the sector. If the merger proceeds, this legislation will continue to ensure a real powerhouse financial institution is based in Queensland.

It is important to maintain the statutory framework for state public sector employees' superannuation contribution arrangements, and I note the number of public sector employees and past public sector employees who have defined benefit superannuation schemes. It is important to their financial wellbeing that they have a defined benefit fund. I also note, as the Treasurer did and the opposition spokesperson did not, that we have a fully funded defined benefit superannuation scheme—the only one of its type at a state level in Australia, and that is something that Queenslanders can be rightfully proud of. I note that this policy is about governments thinking ahead and taking action long before there is a perceived need. Both in our defined benefit fund and the superannuation sector in general, that was a public policy that was undertaken.

When Keating was leading this nation to have compulsory super, we constantly saw that being knocked by the Liberals in Canberra in that they wanted to diminish the compulsory nature of superannuation, and we still see that today. We constantly hear a refrain that people should be able to move money out of their super for particular purposes. Indeed, COVID-19 was taken as an opportunity for people to move money out of their super fund. Someone's intention now as a 19- or 20-year-old may be in conflict with their future selves who would much prefer the security of a superannuation scheme. If we were to survey Queenslanders over time, there might be short-term decisions that people make. However, if we surveyed them later in life, people are very thankful that they made that contribution to their superannuation scheme. Getting that scheme up and running was difficult for the Keating government and it was knocked by the Liberal Party in Canberra, but without this scheme we would not have these powerhouse institutions; nor would we have these investment vehicles that help drive investment in our nation.

Through the eighties I remember the constant refrain was that we had a savings problem, and this has ensured that we have a very strong savings sector that now seeks to diversify funding throughout the world as part of a modern and advanced financial sector. However, this is constantly being run down by the LNP. As we speak there are strategies being put in place to try and diminish this by the Commonwealth government, and it is really disappointing to see that. We have also seen the short-term thinking in other states which did not take the provisions to do the full funding of defined benefit super. They were taking from future taxpayers to pay the liabilities they were accruing today, whereas in Queensland we acted in time to take those hard decisions and ensure there was funding for our defined benefit superannuation scheme.

It is important to note that in the last few years the superannuation system has taken on board the process that when the trustees and the boards examine their role they see it in the best interests of their members to find efficiencies and to find larger funds that can give them more versatility in their investments and, of course, get better returns for their members. That is what is driving the boards of both Sunsuper and QSuper to seek to achieve those efficiencies and to seek to achieve greater returns. Both of the institutions historically have been very strong and this strength will be combined in this new institution, ensuring that they can make the investments that perhaps were too big for one entity alone to do, but they can now make those investments after the merger to get higher returns for Queenslanders.

There is a positive relationship between fund size and net returns to profit members. There is also a reduction in the total administrative costs. Both of those things are valuable to those who are part of our superannuation schemes. After combining the two schemes, the merged fund will have over two million members—and no doubt such a strong scheme will attract more—over \$224 billion worth of funds in management and will fundamentally be a fantastically strong Queensland institution, with over 73 per cent of members based in Queensland. I commend the bill to the House and encourage all members to continue to support both the passage of this bill and also in their general public lives a strong superannuation scheme that puts in place savings for the future of every Queensland and every Australian.