




Speech By
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MEMBER FOR CLAYFIELD

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

 **Mr NICHOLLS** (Clayfield—LNP) (12.58 pm): I want to touch on and cover off on a few things in relation to this bill in the time I have. As the deputy leader of the LNP has said, we will be supporting this legislation. The history of QSuper has been relayed by many people in this place, as has the history of Sunsuper. Like many in this place, I am a member of both funds as is my wife. Two of my children are members of Sunsuper. It is obviously a fund that has performed well over the years, as has QSuper.

More importantly, I want to discuss the role of superannuation because I believe that superannuation has become an integral part of the compact of employment in Australia between employers and employees. As an integral part of that compact, it is incumbent on us as the people charged with legislating for superannuation, and particularly for QSuper, to make sure that the members of that fund receive the utmost consideration in regard to this merger. It might be convenient for boards and it might be seen as the way forward to get the mass and the size that is being spoken about here—the \$200-plus billion—but before we go too much further, we do need to make sure that it is in the best interests of the members of that fund.

 **Mr NICHOLLS** (Clayfield—LNP) (2.55 pm), continuing: Before the lunch break I was talking about what I described as the compact between employers and employees and what is I think generally expected in Australia today in our employee relations—that is, the availability of a good, secure and reliable superannuation plan so that people can, as has been mentioned here, have confidence in their future when they finish work.

We have seen here in Queensland the development of a superannuation scheme starting way back in the early part of the last century. We have seen it develop all the way through to today. We have seen the introduction of compulsory superannuation, as has been discussed, in 1992. We have seen the system mature over the 30-plus years since it was introduced such that now it is, I guess, an important part of every Australian worker's financial planning. It is what they look for when they finish work.

Regrettably, I do not think many people take enough care of their superannuation. They do not look at their superannuation statements. They do not review their financial position adequately and make plans for their future. They do not change their plans. They do not consider it until it almost becomes too late. By the time you are approaching retirement age, it is too late to do that. We have to acknowledge those circumstances.

For decades people have spoken about financial literacy. They have lamented the fact that young people do not seem to be financially literate. They lament the fact that people do not pay enough attention to their super funds. We know that occurs. In those circumstances, we need to make sure that private or profit-for-member superannuation funds that charge a fee are doing the job as best they can with the full understanding of those challenges that many people face.

Sometimes it is not easy. It can be a confusing and bewildering set of circumstances that people face. I challenge any member to have a look at the notices they have received from QSuper with their last statement of account. How many people have actually read those documents and have seen the changes to the qualification periods, for example? I take the not-quite interjection from the member for Surfers Paradise, who is not one of those people who lamentably takes no interest in his superannuation fund. There are many who do not. It is incumbent on us to make sure that these funds work well.

The changes to QSuper—and I will concentrate on QSuper because that is what we have some degree of control over—have occurred at a faster pace over the last decade or so. Firstly, former treasurer Andrew Fraser closed the defined benefit fund to new members. I distinctly remember that piece of legislation and the reasons for it, because I was the shadow Treasurer when he brought it in. Then, as treasurer, when I had that great privilege, we changed the composition of the board. We reduced it to comply with the best practice requirements that were set out and ensured equal and fair representation between unions and the government as the employer, but we also took the significant step of appointing an independent chair to that board, as recommended.

I pay tribute to the great work Karl Morris did for many years. He is now the chair of the Brisbane Broncos. I think he would rather be back at QSuper. He did a great job of modernising QSuper. Then we started down the process of choice of fund so that people who were in QSuper but who did not want to be in QSuper could go somewhere else—again supporting the idea that people have control of their financial future. That was finally implemented by the subsequent Palaszczuk Labor government under former treasurer Pitt. Now we are seeing the next logical extension of the fund.

That is the history to where we are today and changes to superannuation will continue apace. The great challenge for governments is not to use superannuation funds as their own piggybank. It is not to interfere in the investment decisions that are made by properly accredited, qualified and responsible members of those superannuation funds when they make their investment decisions, because the temptation is always there—and I heard the member for Logan talking about certain things.

We know that the temptation is there and it is a temptation particularly for the Labor Party. It started back in 2007 when Wayne Swan wanted to raid the Future Fund to pay for the NBN at a cost of \$4½ billion. It was there again when the global financial crisis hit and he hit the building fund and the education fund, ripping \$25 billion out of them. It was there again in 2012-13 when Penny Wong, as finance minister—fortunately it was in the last part of that government—wanted to raid the Future Fund again to help balance the budget. Of course, that was a budget that Labor never managed to balance.

It also happened in Queensland when Terry Mackenroth took the superannuation fund balances off the budget because they were variable—they went up and down depending on the returns—and created the seven per cent bond issued by QTC to smooth that out. That was supported by this side at that stage. That hid the performance of the funds but the funds continued to go up and down, up and down, as they do, reflecting international trends, particularly in shares and other things.

Then we saw this current government pause their contributions to the fund; they stopped actually paying for the defined benefit fund. Then they raided the fund twice to prop it up. Then we had two different schemes by two former treasurers, former treasurer Pitt and former treasurer Trad, to raid the funds that were held in order to create a future fund, which was finally brought into being by Treasurer Dick. So, when the member for Logan talks about the vandalism of superannuation funds, I listen with a high degree of scepticism because I know, evidence proves and history determines that when it comes to taking someone else's money no-one beats the ALP.

Mr Powell: It's in their DNA.

Mr NICHOLLS: It is in their DNA. As the current mayor of Bundaberg famously said, how do you spell it? A-L-P!

What is the best thing you can do for people's future and their superannuation? The best thing that you can do is what the coalition government does: create a strong economy with low interest rates and a growing economy with a plan for the future, not by taxing it into the ground as the Albanese opposition potentially wants to do. When it comes to looking after the long-term interests of Queensland employees, when it comes to looking after, preserving and ring fencing the funds that have been put aside and saved for people to enjoy in their retirement, as they are entitled to do, there is no greater obligation. In fact, this move goes some considerable distance towards ensuring that that occurs. That is why I am very comfortable in supporting the bill.

However, we cannot be blinded by all the stories that I have heard about the dazzling figures of \$200 billion plus and the economies of scale. I have seen these things before. We will wait to see if the promised benefits are delivered. We will wait to see if the IT systems work out. We will wait to see whether or not the customer service is better. We will wait to see who still has a job at the end of it, because inevitably an enormous amount of jostling goes on when two funds merge. I refer to the boards.

I know Don Luke, of course, having appointed him to chair the QIC. I certainly know Andrew Fraser well. I have spoken to both in relation to this. I do, to a degree, have faith in their capacity to bring this together. However, we should not take our eye off the ball or be dazzled by the promise that it will be better for members and by the promise of a financial superpower based here in Brisbane.