

From Hansard 12 May 2004:

**PARLIAMENTARY SUPERANNUATION BILL 2004 Cognate bill:
PARLIAMENTARY SUPERANNUATION AND OTHER ENTITLEMENTS
LEGISLATION AMENDMENT BILL 2004: Consideration in Detail**

Mr ANDREN (Calare) (6.18 p.m.) —I move:

Clause 5, page 4 (lines 31-32), omit paragraph (1) (c), substitute:

(c) the person;

(i) was not entitled to a parliamentary allowance immediately before that time, or

(ii) if the person was entitled to a parliamentary allowance immediately before that time, the person has given to the administering authority a notice in writing signed by the member stating that the member has elected to cease to make contributions to the scheme established by the Parliamentary Contributory Superannuation Act 1948 and to become instead subject to the scheme established by this Act.

My amendment is to the Parliamentary Superannuation and Other Entitlements Legislation Amendment Bill 2004. In moving my first amendment, which provides for any sitting member, if re-elected, to opt into the new arrangements, I would like to put on the record that much has been made of the idea of re-establishing trust and confidence in the electorate, yet neither major party is prepared to apply these new super arrangements to themselves. This hardly re-establishes the trust that we want to achieve. In fact, it reinforces the opinion of many that there is no will to bring parliamentary entitlements into line with normal community standards.

There have been backbench revolts on both sides, as I understand it, making the application of the new arrangement to all MPs politically impossible—as we have seen in the most recent division. They are supported by plenty of technical arguments, as I said earlier, and the advice I have had is that, with just compensation and such, it may be impossible. But again, as I said, this imbroglio is being created by the precipitous way in which this whole thing has been brought on in recent months. I propose to amend this legislation to allow sitting members and senators the choice to opt in to the new scheme, consistent with my two private member's bills on MPs' superannuation. A voluntary 'opt in' clause will negate the need for just compensation and the natural justice argument that members cannot be forced to accept a retirement scheme that is less than the one they currently have. [start page 28338]

It also has a strong precedent in the Western Australian parliamentary superannuation scheme, which successfully incorporated a clause—I think it was the Carpenter clause—to allow Western Australian state members to transfer from their outdated pension scheme and into a new one, which also applies only to new members of that parliament. I understand the opposition is of a mind not to support my amendment, and yet they are seeking support for their own amendments to cap the entitlements of senior office holders in this place. I suggest that, if they really want to achieve any sort of acceptance in the general community around the issue that they are arguing, they should look at their own colleagues in Western Australia and the

precedent set there in that parliament by members of their own party to provide for members who wish to opt in to the new arrangements or, as the tenor of my private member's bills suggested, enable any member to make a choice of superannuation in accordance with the sorts of policies that we are attempting to put into the general legislative framework for the community.

It is possible to include my amendment with no impediment to the intended function of the new federal parliamentary superannuation scheme. As I said, I anticipate this will not receive any support by members who wish to avoid this opt in, because I understand it may be regarded as more of a 'shame in'. It has not achieved that in Western Australia; it has been accepted as part and parcel of the human rights of any member, any individual, to make their own arrangements according to their own savings.

The DEPUTY SPEAKER —Order! The member for Calare will resume his seat for a brief period. Will those members on my left please either leave the chamber for discussions and conversations, or hold them quietly. The member for Calare has the call and is entitled to be heard.

Mr ANDREN —There is no shame in receiving fair remuneration for your work. If members consider the superannuation component of their remuneration fair and just, there is no shame to them in accepting it. But, if members feel they will be shamed into giving up their retirement bounty, they recognise that there is something seriously wrong with their retirement allowances under the current system. The fact we have these bills before us is recognition enough that the PCSS is not only no longer relevant in today's working environment but glaringly outrageous in comparison to community standards.

I wrote to the Prime Minister in November last year, before both sides of politics rushed to join in our efforts to reform parliamentary superannuation, asking him about the likelihood of my private member's bill being debated in this place. I received my answer, with apologies, from the Minister Assisting the Prime Minister in April this year. The Prime Minister had by this time announced his new plans for MPs' super, following of course the lead taken by the Leader for the Opposition, who in turn, as I said, took the lead from several decades of effort, particularly by the honourable Ted Mack. But his answer made clear that there would be no retrospective alteration. There is no explanation as to the reasons. I will listen with interest to the parliamentary secretary. I say that there are no acceptable reasons for the government's, and indeed the opposition's, stand against an 'opt in' clause. I urge both sides to accept my amendment allowing members who disagree with the MPs' super scheme the choice to remove themselves from it. I commend the amendment to the House.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (6.25 p.m.) —The member for Calare has essentially answered the matter raised in his amendment in his own speech. The government is not prepared to accept any level of retrospectivity with respect to this matter. The Prime Minister, when he made his announcement, said there would be no retrospectivity and that all existing members and senators would remain under the existing scheme, and that is what I said in my initial contribution. It is in keeping with general practice. When

superannuation schemes have been altered in the past, existing members have been grandfathered. I think there is a longstanding principle that entitlements ought not to be fiddled with in a retrospective way, and these bills are all about the future. There was an acceptance that there needed to be some change in the way parliamentarians are superannuated following their retirement; however, the feeling was that what is usual practice should be usual practice in this case. The whole idea of course is to bring parliamentary superannuation more in line with community norms, and the way that there is no retrospectivity is in keeping with community norms. In the way that schemes have been altered in the past, existing members have simply not been affected.

Mr ANDREN (Calare) (6.26 p.m.) —I just want to comment on the parliamentary secretary's statement. This is not about retrospectivity, in the sense that it is an arrangement that has been made in an Australian parliament. As I understand it, without any challenge, there is no just compensation involved in the process and there are no legal ramifications. There is an acceptance under the procedures I have set out in my second amendment—which I will be moving in a moment—that quite clearly establishes the procedure to enable a member to opt in to new arrangements or indeed opt in to a super scheme of his or her own choice. For the parliamentary secretary to argue that there are problems with retrospectivity and, by inference, with just compensation is a nonsense. [start page 28339]

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (6.27 p.m.) —Without wanting to traverse the areas I have already covered, the fact that a parliament in a state takes a certain course of action does not make it right, does not make it proper and does not make it equitable. The fact is that, when this announcement was made, it was intended to be prospective; thus all existing members will remain under the arrangements made at the time they commenced their parliamentary service. There will be no retrospectivity.

The DEPUTY SPEAKER —The question is that the member for Calare's amendment be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER —As there are fewer than five members on the side for the ayes, I declare the question negatived in accordance with standing order 204. The names of those members who are in the minority will be recorded in the *Votes and Proceedings*.

Question negatived. Mr Andren, Mr Organ and Mr Windsor voting aye.

Original question agreed to.

Bill read a second time.