

**House of Representatives Hansard 16/10/2006:  
PARLIAMENTARY SUPERANNUATION AMENDMENT BILL 2006  
Second Reading**

[Mr ANDREN](#) (Calare) (7.13 p.m.)—I have a few significant points to make about this amendment to the superannuation scheme for MPs elected in the 2004 and subsequent elections, as contained in the [Parliamentary Superannuation Amendment Bill 2006](#). Since the 2004 election, I believed it would only be a matter of time before we saw some movement in this area or in other aspects of members' and senators' pay to compensate for the two-tiered remuneration system that was a result of the original incomplete reform of MPs' superannuation. This was brought about only by the former opposition leader pulling his head out of the sand and recognising the extent of public outrage over the then outrageously generous scheme, which in turn forced the Prime Minister to act, as he said, to bring the system into line with acceptable community standards—or words to that effect.

This situation would have been avoided if the reform had been applied to all MPs, existing or new, at the time of the changes post the 2004 election, with payments made to an accumulation fund of the MP's choice equivalent to what they would have been paid under the existing PCSS. The Parliamentary Contributory Superannuation Act 1948, which provides the legislative basis for the old overgenerous MPs' superannuation scheme, also provides under section 16A a mechanism by which a superannuation guarantee equivalent amount can be calculated for those members and senators who wish to opt out of the old scheme and have this amount deposited into an accumulation fund or retirement savings account of their choice. This has also been done many times with the closure of other unfunded superannuation schemes, such as the Western Australian parliamentary superannuation scheme, and done quite successfully.

The Australian public know there is little will among the pre-2004 members and senators to support such a change to their superannuation. The superannuation scheme is so far out of touch with the community standard, and that has been acknowledged by all those who have spoken in support of the need for change after it was put on the public agenda by the former opposition leader in response to consistent raising of this issue via private members' bills and other processes through the public. I well remember something in the order of 2,000 submissions to a Senate inquiry into a private member's bill that I put before the House prior to the changes in 2004. To accommodate those members and senators who have a conscientious objection to being part of a superannuation scheme so far out of touch with community standards, I will again move in the consideration in detail stage an amendment that will provide the opportunity for sitting MPs to opt out of the Parliamentary Contributory Superannuation Scheme.

The idea of being in touch with the community standard was part of the Prime Minister's reasoning for the introduction of the new accumulative superannuation arrangements for new MPs. On 12 February 2004 the Prime Minister said when announcing the changes:

... the Party Room has approved the Cabinet's decision to legislate immediately to close down the existing Commonwealth Parliamentary superannuation scheme to people elected at the next parliament and it will be replaced by a scheme that attracts a government contribution of nine per cent which is the community standard.

This statement was widely welcomed in a community that had become very cynical about processes whereby their elected representatives put in place

standards of office that benefit them which were out of kilter—completely out of kilter in this case—with the expectations of the legislative program they put in place for their constituents.

Let us not try to preach equivalence between MPs and senators and corporate income and corporate payments. Let us have a debate on remuneration for members of parliament, and all the benefits and entitlements should be put on the table at the time that we are debating that. Let us have a proper debate and strike a salary that is completely transparent and includes all of the add-ons and all of those entitlements which should really be called privileges. Are we truly suggesting that we should look at parity with the private sector and the often obscene payments and post-retirement benefits for executives? We are volunteers and represent the community and should abide by the standards we set for the vast majority of our constituents.

This bill before us again puts MPs out of touch with the community standard when it comes to superannuation, raising the employer contribution from the nine per cent superannuation guarantee level to 15.4 per cent. To maintain equality between members and senators and other working Australians, which will better inform debate on superannuation issues in general in the community and in this place, I will also move an amendment to ensure the employer contribution for MPs is equal to that specified in the Superannuation Guarantee (Administration) Act 1992. It is simple: if members of parliament need increased contributions to their superannuation accounts, then so too do the rest of the community. It is unacceptable that we legislate one deal for ourselves and another one for other working Australians.

The only argument put by the Special Minister of State in support of this increase is that our public servants receive an employer contribution of 15.4 per cent. By the same token, if the Australian Public Service receives 15.4 per cent and therefore MPs deserve 15.4 per cent, then so too does everyone else. If we wish people to provide for themselves in their retirement, then we need to get serious about what we legislate with regard to superannuation and the superannuation guarantee in particular.

On the other side of the coin, the co-contribution for low- to middle-income earners to encourage them to make their own contributions to their super accounts is a good start, but people on these income levels, especially with the high levels of household debt we encourage in this country at the moment, would find it incredibly difficult to find anything extra to throw at their superannuation accounts. This would doubly apply to those households relying on part-time or casual employment to meet their needs—remembering, as we all should, that in this country in this day and age it requires but one hour of work for a person to not appear in the unemployment figures. There is a gross underemployment of many people in this community, probably in the order of 15 to 20 per cent.

Short of mandating employee contributions to superannuation, a more generous co-contribution would go a long way towards encouraging people to put some of their pay into savings for their retirement. The streamlining and simplification of superannuation introduced this year is certainly beneficial for those with a lazy million of post-tax contributions to put into superannuation, but what about the rest of the country's workers? My position basically comes down to this: it is essential that those of us making the laws to determine if Australians are to be able to provide for themselves in their retirement are subject to the same conditions and market pressures for our retirement savings as the rest of the community. My amendments will provide for this and allow that opt-out

clause as well for those, like me, who object to benefiting from the earlier discredited arrangement. I do not support this bill in its current form unless it were to include those amendments.