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New Andren bill on MPs' super

Independent Federal Member for Calare, Peter Andren, introduced his new *Parliamentary (Choice of Superannuation) Bill 2003* in parliament today, to give MPs the choice to opt out of their excessively generous superannuation scheme.

“For politicians to insulate themselves from the marketplace with their pension entitlements, topped up by a 69% notional contribution from their employer, the Commonwealth ... is unconscionable,” Mr Andren told parliament.

“It is all the more unconscionable when we look at the substantial losses sustained by our constituents in their super holdings over the past two years.

“Yet we enjoy an unfunded scheme with guaranteed payouts and indexed pensions, something those we allegedly represent can only dream of,” he said.

“Reform isn't difficult. The WA parliament has closed off its scheme and allows MPs freedom of choice or cover by the fully funded public service scheme.

“My bill will allow members to make their own superannuation arrangements with a contribution from the Commonwealth of 9 per cent – the same contribution required of any employer.

“Any technical deficiencies identified by the Department of Finance during the Senate Inquiry into my 2001 bill have been addressed in this 2003 bill.

“That inquiry drew strong media interest, especially from *A Current Affair*, and attracted almost 3 thousand submissions from a public bewildered and angry at the excessive generosity and double standards of the parliamentary super scheme.

“The parliament reacted by passing amendments to forbid access to the scheme by new members until age 55 – but the inherent generosity of the scheme remains untouched.

“Despite the Democrats' supporting the intent of the bill, the Senate Committee ultimately recommended only that the issue of parliamentary superannuation be considered by the Remuneration Tribunal as part of a package comprising superannuation and allowances.

“This a cop-out. Why should the Remuneration Tribunal, a creature of the government of the day, be charged with determining the adequacy of a pension or lump sum payout that is clearly outside the benefits accruing to pension schemes of our own constituents?

“The unfunded federal parliamentary scheme currently has liabilities of \$504 million, up from \$396 million in 1998.

“Politicians invented this scheme and only they should reform it,” Mr Andren said.

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