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No argument against MP super opt-out – Andren

A senate inquiry into the government's new community standard superannuation arrangements for MPs has heard no arguments to support a ban on current MPs opting out of the old scheme and into a scheme for new members, according to Peter Andren, Member for Calare.

“On the evidence from today's public hearing, there is no impediment to allowing sitting members and senators the choice to transfer their superannuation to a fund of their choice with a 9% employer contribution,” Mr Andren said.

“Both the Department of Finance and Administration, and the actuary contracted to oversee the current MPs' super system agreed an 'opt-out' clause is definitely possible.

“I reject the argument put by some members of the Senate Finance committee that it would be complicated to work out a formula to transfer an amount to a fund of the MPs choice because some MPs serve longer than others.

“I argued that as a MP will leave the old, over-generous scheme by choice, and will know in advance how much benefit will be transferred to their own scheme, there will be no argument or claims for 'just compensation'.

“Committee senators argued that the closure of public service super schemes in the past had resulted in people doing the same jobs for different remuneration arrangements, and this provided a precedent to support two schemes for MPs.

“I said members of Parliament should be setting the standard for all superannuation schemes by accepting the same level of employer contribution.

“I argued the West Australian parliamentary super scheme, complete with its 'opt-out' – called the Carpenter clause after the MP who moved it – should be the benchmark for federal members and senators.

“When Democrats' Senator John Cherry pursued the WA precedent with witnesses from the Department of Finance and the government's contracted actuary, they indicated it is workable inclusion under the new arrangements,” Mr Andren said

“The committee is due to report on 15 June and its findings will inform the senate debate on the Prime Minister's limited reform plan for MPs' super,” he added.

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