

PARLIAMENTARY SUPERANNUATION AMENDMENT BILL 2011

Second Reading

Resumed from 17 August.

HON KATE DOUST (South Metropolitan — Deputy Leader of the Opposition) [11.31 am]: On behalf of the opposition, I am very proud to support the Parliamentary Superannuation Amendment Bill. A lot of members sitting on the other side and around the chamber might appreciate that this bill impacts on only about seven sitting members in this chamber so we are doing the right thing by them today. A number of the matters canvassed in this bill have arisen out of discussions with the Parliamentary Superannuation Board, of which I, Hon Ken Baston and the President, Hon Barry House, are members, as well as two members from the Assembly. These matters of concern that needed to be resolved have been hanging around for a number of years.

There are five key elements to this bill, which will amend the Parliamentary Superannuation Act 1970. The first element relates to spouses. A number of members would be aware that there was an issue that had not been dealt with for quite some time and it was discussed at length by the Parliamentary Superannuation Board. There was a concern that if a member, having left Parliament, was involved in a new relationship, be it a de facto relationship or a marriage, and that member passed away, there may be barriers preventing their spouse accessing their superannuation. We had an example of that occurring because the spouse was under the age of 55. This matter has been canvassed with the Salaries and Allowances Tribunal on a number of occasions. Fortunately, that situation has now resolved itself, not necessarily because this legislation has been amended but partly because the individual concerned reached the age at which they were able to access the superannuation. It was an ongoing issue. Hopefully, there are a number of circumstances surrounding this change that will kick in and make it fairer and more equitable for people in those relationships. One of the changes that was agreed by the board was that when a member, upon retirement, moves into a new relationship, be it a marriage or a de facto relationship, for the spouse to be eligible for the parliamentary superannuation if their partner passed away, they would have had to have been in that relationship for a minimum of five years. That is slightly different from the legislation we passed a number of years ago relating to de facto spouses, in which the minimum length of time they would have had to have been in that relationship was two years.

Hon Giz Watson: They were amendments to the Interpretation Act.

Hon KATE DOUST: I thank the member. That is a bit of a difference. That change has been agreed to.

As a member of the board, I have spoken to a number of people from other states about various aspects of their parliamentary superannuation schemes. When I spoke to the then chair of the New South Wales parliamentary superannuation scheme, the then police minister, Mr Campbell, talked about how a number of changes had been made to the NSW parliamentary superannuation legislation to deal with what they termed the “gold-digger” clause, which came about because a number of former members had moved into new relationships—they had actually moved into multiple relationships in some cases—and there was concern about the gold-digger aspect —

Hon Giz Watson: Tell us more!

Hon KATE DOUST: It was quite interesting. I suppose it is a New South Wales issue. I would not imagine that any of the members who are now under this scheme would go down that path upon retirement for whatever reason. New South Wales had to tighten its legislation to prevent the gold-digger-type opportunities occurring. It was a very amusing story when it was told to me. I suppose it is about protecting the best interests of the member involved and also ensuring that the people who are entitled to the provisions get what they need.

The other change that members need to note is that the membership of the Parliamentary Superannuation Board will increase from five members to six. As we all know, we had 95 sitting members in this scheme in 2001, and others who had retired. Since the membership changes, the number of sitting members now in the scheme is about 19. The minister might correct me if I am wrong. We would imagine that over time the number of members who are in the scheme will decline as we go through the electoral cycles. The number of retired members is quite substantial. It is a very proactive lobbying group in the parliamentary superannuation scheme. The board has engaged with those retired members on a number of occasions about various issues of concern to their group. We have advocated for them on a number of those concerns. It was felt that given the change in the balance of the number of members currently within the Parliament and those members outside of Parliament, the retired members should have a direct voice on the board. Once this legislation goes through, they will be able to elect their own representative. For those people engaged in politics, I am sure it will be hotly contested.

Hon Simon O'Brien: There are some good candidates available.

Hon KATE DOUST: There are a number of good candidates available. There are a number of retired members who are very articulate on matters of superannuation and know this legislation inside out. They are never shy about speaking up on any concerns they have about these matters. I am sure that we will have some very robust discussions at future board meetings.

I do not know whether I made it clear that I was the lead speaker on this bill. I wanted to clarify that.

The third change that has been flagged in this bill is to incorporate Salaries and Allowances Tribunal determinations into the Parliamentary Superannuation Act. That primarily relates to children's allowances. The board has had to canvass that issue to ensure that appropriate changes are made to the amounts of payments made to children, and percentages as well. That is an important change.

Another simple change that will be dealt with in this legislation is removing any gendered language from the legislation. I suppose that is just a fairly standard change as we update legislation that was crafted 30 or 40 years ago and seek to make it more balanced.

Another interesting change, and probably the final change, is that there is a bit of an administrative change in this legislation to tidy up some provisions that are no longer deemed to have any relevance in this day and age. The main provision to be deleted was that which allowed members to leave the scheme when the initial changes were introduced in 2001. The former member for Willagee and our former Premier, Hon Alan Carpenter, first proposed that a new scheme for members' superannuation arrangements was needed. I recall that there was quite an interesting debate in the community about this issue, as there always is about parliamentary superannuation arrangements. In looking at some of the media reports of the time, I note there were some interesting opportunities for people who were elected in 1996. They had the option either to stay in this scheme or to move into the new scheme of arrangements, which the bulk of members post-2001 are in. Going back to some of the media reports, I note with interest an article from *The Sunday Times* that was written by Janet Wainwright.

Hon Max Trenorden: She was a good journalist, Janet Wainwright.

Hon KATE DOUST: I did not have the opportunity to know her, but I take Hon Max Trenorden's word on that.

Ms Wainwright's article was published on 21 September 1997 and the last paragraph states —

Last week 10 newly elected Liberals put in a submission opting to scrap their entitlements under the existing scheme and for superannuation to be vested until the age of 55.

I must say that was very brave on the part of those people at the time. It was a very courageous step for people who, by moving into the new scheme, were prepared to lose what I understood to be several hundred thousand dollars. I read some of the other articles that were available at the time. I note that the minister who currently has carriage of this legislation was one of those 10 members who were going to opt —

Hon Simon O'Brien: I never gave an undertaking to go into the new scheme.

Hon KATE DOUST: The minister never did?

Hon Simon O'Brien: No.

Hon KATE DOUST: The newspapers of the day reported the minister as having done that. The minister is the last man standing out of the group that was noted, so all power to him.

Anyway, it has been decided that there is no longer any need to have provisions in the legislation to enable members to opt out. More than likely that is because the scheme has shut and those people have elected to either stay or go into the relevant scheme. We now have not just one scheme; we have the scheme that came in for new members in 2001, and in 2008 an amended superannuation scheme for new members was put in place. Therefore, we now have three different sets of superannuation arrangements for members of Parliament.

It is very important to talk about the role of the Parliamentary Superannuation Board because, as I said, the number of members in the parliamentary scheme changes, and we have more members in the retired pool, if we like. I put these comments on behalf of the board that I still think it is very important to maintain the board into the long term because it is important to have that voice on behalf of members. I know that the board has been quite proactive over the past few years in engaging with the Salaries and Allowances Tribunal on clarifying the issues associated with all the changes that have occurred, such as the national superannuation changes. The board has also provided appropriate education sessions for members so that they can get themselves across those changes, particularly those members who are in what we refer to as the old scheme, and can make appropriate choices based on that advice from the officers involved with the scheme.

Also recently, just for members' information, the President and I met with the Salaries and Allowances Tribunal on behalf of the board to canvass some of the current issues with changes to superannuation and to talk about

some other matters that had been involved. We might look to make future changes to the legislation so that it improves those arrangements.

With those few words, the Parliamentary Superannuation Amendment Bill really has only five key changes, which are fairly straightforward. The vast bulk of the changes, particularly to the spouse arrangements and the Salaries and Allowances Tribunal arrangements, came out of a discussion over a long time with the Parliamentary Superannuation Board and from issues that have arisen in members' personal situations. Therefore, we are very pleased that the legislation is being amended, particularly the spouse arrangements. The opposition supports this bill.

HON MAX TRENORDEN (Agricultural) [11.45 am]: Thank you, Mr Deputy President —

Hon Simon O'Brien interjected.

Hon MAX TRENORDEN: Yesterday I declared an interest in a racehorse that runs at quarter to two this afternoon. I suggest that those members who are in the old scheme and have the money to put on the racehorse do so because, although they will not get a return from the racehorse, they will be contributing to the industry, which is a really important matter! I think what the minister pointed out is that I am a beneficiary of the old scheme, and I will speak in the Parliamentary Superannuation Amendment Bill debate. Therefore, I declare an interest that I am a beneficiary of still being in the old scheme.

I was interested to hear Hon Kate Doust talk about those times when the changes were made. I was in Parliament during those times, and it remains one of my great regrets that I did not call a division on that bill. I voted against the bill on the voices and now it cannot be proved, but I was totally opposed to the changes that occurred. I was not at all opposed to changing the matters of parliamentary superannuation, but I totally opposed what occurred. What occurred was about politics and not about superannuation matters for members.

I have served on the Parliamentary Superannuation Board for quite a few years. The National Party, given the nature of Parliaments, did not get a permanent position on the board, but I was an advisory member of the board for quite a few years. I follow the matters of the board quite closely; I would suggest, in growling at you all, far closer than most members do! Members should pay more attention to it —

Hon Kate Doust: I do.

Hon MAX TRENORDEN: I know that some members do, but many members do not. It is wrong to assume that the range of people there will always look after our interests.

Getting back to the matters of the bill, it is a very simple bill; it does not carry a lot of issues. Hon Kate Doust spoke on a lot of the issues and I do not believe in repeating what other members have said. Most important is that these matters are cost-neutral over a period. We benefit when a retired member changes to a lump sum because that will save money in the long term. If a retired member stays in the pension scheme, it will cost in the long term. Therefore, depending on how many retired members take those options, it will balance. It is important that these measures do not cost the public or existing scheme members any amount of money.

It is important that members consider that retired members can change partners. I will say a few things about the current arrangements. Today is the first day of the new arrangements of the latest determination of the Salaries and Allowances Tribunal. I make that point only because one is directly related to the other. Whether members are in the new scheme or the old scheme, their benefits and contributions are related to the Salaries and Allowances Tribunal's decision. Whether members are paid extra money for being a minister or, like me, for being a chairman of a committee or for sitting on a committee, all those things are added into their remuneration and become a benefit. For the new members, that is the amount of money that they pay in contributions or, for me, as a member of the old scheme, the final benefit. I think that is lost. Hon Norman Moore will be the first to jump up and tell people that I am right. Once members get to 20 years, their lump-sum benefit under the scheme starts reducing. That is the argument, so when this bill is passed, it will be either Hon Norman Moore or Hon Max Trenorden who will be arguing who should be the representative of the retired members!

Hon Kate Doust: You have to retire first!

Hon MAX TRENORDEN: That is what I am saying!

For Hon Norman Moore, me and others who are in the scheme and have done 20 years, the lump-sum benefit has changed. I was very heavily involved in trying to get changes to the parliamentary superannuation scheme for all the years I was there. Many members will not know this, but when I was first elected, I was a single father. I had full custody of three children and did not have a partner for 27 years until I got married a couple of years ago, because I believed that my responsibility was to look after my children. But if I had died during that time, the benefit of the scheme would have been close to nothing. We tried during that period to get a lump sum brought in, as the new scheme currently has for new members. The old scheme was not all roses; there were

some potholes under the old scheme—for example, if a member was unlucky enough to die in service under the old scheme, like Andrew Mensaros and a few other people; but he was a single man, so it probably did not affect him so much. But there were potholes in the old scheme. In 2000 the political hype was on; and, I might add, it got the Labor Party how many votes, do members reckon? Close to none, I would say. I would say that Alan Carpenter's move probably got the Labor Party nil votes, because these things are fish and chip wrappers. Once it hits the newspaper, at the end of the week the fish and chip shop wraps it up and that is the end of it. But I do feel aggrieved for those members who are now in Parliament under the new scheme. I just want to make this point as a person who spent 20 years in the industry. I have an interest in parliamentary superannuation because this is what I used to do before I got into Parliament; I have always taken an interest in superannuation and closely watched superannuation matters.

Members of the public service ring me out of the blue now and thank me for giving them the advice to stay in the old public service scheme. That had the same problems; if one died under that scheme, it was not much good, but if one survived and did their time, the benefits were substantial. I am now getting calls from people who rang me all those years ago to ask, "Which way should I go?" I always advise them to stay in the old scheme, but to be aware of the potholes.

The really important issue now, if we are to look around to people such as Hon Mia Davies, is that the age of people in this chamber and the other place is reducing sharply. When Hon Norman Moore and I got into Parliament—actually, that is not quite true for Hon Norman Moore, because I think he has been here for 100 years —

Hon Norman Moore: No, 131! I was actually 31 and the next youngest was about 55!

Hon MAX TRENORDEN: The point I am making is that there are a lot more people in the 31-year-old bracket now, and there are going to be many people who do their term in Parliament, either get defeated or resign, and then go to another job. When I was here, the vast bulk of people retired rather than being defeated, so the superannuation package was at the end of their working life. Now, for most members, the parliamentary superannuation package is going to be in the middle of their working life, and that actually makes a big difference to their personal superannuation status. The public does not look upon it this way, but it is very unfair to members under the new scheme, although it has been recognised in the Salaries and Allowances Tribunal's current determination that they can get a payment for resettling themselves. However, the fact is that if a lawyer, teacher, dentist or whoever spends seven years in Parliament—the average length of time a member of Parliament spends in Parliament—they cannot just walk out the door at the end and pick up where they left off with their profession; it is just not possible. The next job that they have when they leave Parliament will not be as good a job in terms of remuneration and benefits as this one. When they leave they will go to their prospective employer and say, "Here's my CV; it's actually fantastic—I've been a member of Parliament for seven years." When they have stopped laughing and have picked themselves up off the floor, it may be the case that the ex-member does not get the job they want, and the benefits of the salary may be lower than they anticipate. There will be a period when, in my view, their superannuation will not be adequate for the time they have spent in their position, but that is likely to be extended into their next job, when it will also not be adequate. A lot of the public may laugh at this, but the bulk of the members here have decided to take this job not for the dollars, but for the public contribution. I love it; most members in this chamber love it, and love the participation; however, many members will find that not only do they have a low level of earnings in their superannuation when they are actually members of Parliament, but it may be the case that they still have a low level when they go into their post-parliamentary role, and when they finally get to retirement, they may not have that much money. I am trying to make that point to the Salaries and Allowances Tribunal.

The other point is that the chances are that when members under the new scheme take on a new job after Parliament, they will be in private industry, so under the current law they will have two schemes.

Hon Kate Doust interjected.

Hon MAX TRENORDEN: There is portability, is there?

Hon Kate Doust: We were actually able to negotiate a range of changes to our new scheme in 2001 that gave us automatic vesting, portability and a range of other things.

Hon MAX TRENORDEN: I am pleased that there is portability.

Hon Kate Doust: And we have freedom of choice of scheme.

Hon MAX TRENORDEN: That is good; it gives members some options after they leave Parliament.

Nevertheless, I voted against that bill back in 2000, and I will regret until the day I go to my grave that I did not call a division, because I did most members in this chamber a disservice. A grave disservice was done to new members on that day.

The Parliamentary Superannuation Amendment Bill 2011 really is a simple bill; it clears up a couple of simple matters. I am reluctant to disagree with Hon Kate Doust, but I think the board should go. I do not see that there is much point in having the board. I think the whole question of superannuation, new and old, should go to the Salaries and Allowances Tribunal. When the board was fully functional, it had all members involved in setting conditions for all members. Now, as has already been stated in the second reading speech, that is falling off quickly. In my view, it would be better to put some administrative arrangement into the Salaries and Allowances Tribunal, and transfer all the issues relating to superannuation to SAT. In particular, there is the question about what is the actual salary. As far as the taxman is concerned, one's salary is one's salary plus allowances. If members cannot prove that they have spent their allowances on appropriate items, that is their salary, but for SAT, superannuation is clearly determined to be remuneration.

I think we are messing around with this; I am not trying to be critical of the minister, and certainly not of the President. We require the President to chair this board —

Hon Kate Doust: No; the reason the President chairs this board is that he was appointed as a board member, and when he was a parliamentary secretary, the minister of the day appointed him as his representative to be the chair. When the Liberal Party came into government, he remained on the board, and we all thought he was doing a very good job as the chair. Thankfully, the minister appointed him again. So, it could actually be any other person appointed by the minister responsible. It just happens to be on this occasion the President of our chamber, who I must say does a good job of chairing the board.

Hon MAX TRENORDEN: Absolutely! I could not agree more with Hon Kate Doust. I am trying to say that we give the President the responsibility of carrying this matter.

Hon Kate Doust: In the last term I was the chair of the board, so it could be anyone.

Hon MAX TRENORDEN: I know that. As I said, I was on the Parliamentary Superannuation Board as a non-voting member for quite a few years. The point is that circumstances have broken down since the decision of 2000. If all members of Parliament were under the same scheme, I would agree with Hon Kate Doust.

Hon Kate Doust: So, do you think maybe it's time to shut down the scheme as it currently stands, pay out all those members who remain in it whatever they are entitled to today and allow them to join the new scheme?

Hon MAX TRENORDEN: No.

Hon Norman Moore: Careful!

Hon Kate Doust: The public might like that!

Hon MAX TRENORDEN: Despite the nicety of Hon Kate Doust's argument, the legal argument does not allow us to do that. We cannot take away past benefits of any employee.

Hon Kate Doust: I'm not talking about taking away past benefits, and I would never suggest that.

Hon MAX TRENORDEN: The point I am making is that there is so little now to administer that it would be better off to move the arrangements into the Salaries and Allowances Tribunal, which deals with half of the superannuation arrangements now. Even though it does not deal with any of the issues of super —

Hon Kate Doust: It might do that. There are still a number of outstanding issues—over a period of many years, probably going back to your time on the board as well—that we have been taking up with the board in chunks, and I can tell you that it has been very difficult to actually get them to sit down and listen to us. It's only been in the last two years that we've actually been able to sit them down and go through the issues and get some traction on the issues, and one of those reasons is the reason why we've got the spouse changes happening today. So, I think we should have a board or some organisation there acting on behalf of the members in those schemes. Because the circumstances of members of Parliament are slightly different from those of ordinary workers outside in the public sector or the private sector, I think it has actually been very useful for members of this place to have a board acting and lobbying on their behalf to remedy the problems, the gaps or the issues that you've already canvassed and to try to fix those. If you don't have a board, it won't happen.

Hon MAX TRENORDEN: We are talking at cross-purposes. I am not talking about getting rid of the board; I am talking about getting rid of the process. The board can survive under the Salaries and Allowances Tribunal. There is no reason why it cannot survive and be structured under the Salaries and Allowances Tribunal with the same sorts of processes. It just makes more sense. The group of people who look at our remuneration and all those issues that they have to look at to come to a determination every August do half of it and the board does the other half. It makes sense that those two groups be more closely combined. I am not saying to the honourable member that we should wipe all that out. I am just saying that all those conditions should be moved from under the umbrella of the Parliamentary Superannuation Board as the ruling body to the Salaries and Allowances Tribunal. I do not disagree with Hon Kate Doust at all about the difficulty in getting changes. I was there years

and years and debated all those things. I actually think that the President, Hon Kate Doust and others have done a very good job. This is a good bill that fixes some small but important problems in the scheme. However, looking forward, it is important that the two matters of salary of and benefits for members be related. At the moment there is a wall between them.

Hon Kate Doust: Let's face it, in probably two to three electoral cycles, maybe four, given that there is a smaller number of members in the scheme now, who is to say who will be in this place? I am sure Hon Norman Moore will still be here in four electoral cycles, so he may be the last man standing as a member of that scheme!

Hon MAX TRENORDEN: For some reason Hon Kate Doust and I are not connecting. I am saying that the issue for me is that the matters relevant to the people who decide the salary of members should be related to the matters relevant to the people who decide the conditions.

Hon Kate Doust: What I am trying to say to Hon Max Trenorden is that in three or four electoral cycles, if there is no member in the old scheme, SAT may very well be the body that manages all of that.

Hon MAX TRENORDEN: If the honourable member reads the conditions of the Salaries and Allowances Tribunal, she will see that the tribunal's rules do not provide for the members to consider superannuation. The difficulty from the point of view of tribunal members is that they cannot take superannuation into consideration when they make a determination about salary and other matters, because it is not within their purview.

This is a pretty pointless argument to a large degree, because this bill does what it does: it gives some pretty significant benefits to retired members and does not cost the scheme or the public any real money in the process. That is the important thing. The rest of the diatribe I have just given to the minister is really my passion for it. Members of the new scheme are not getting what they should be getting.

I will make one other point before I sit down. I believe the state government contributes 12 per cent of a member's salary to the new scheme. I would argue that people in private enterprise at our salary level would get a minimum of 15 per cent contribution from employers. They are the sorts of things we should be talking about. I will say this while I am talking about the issues to do with the Parliamentary Superannuation Board and Salaries and Allowances Tribunal. The Salaries and Allowances Tribunal has no charter, in the issues it has to grapple with for members of Parliament, to follow the 15 per cent contribution that might be made by employers in the private sector. That is an important issue. As I said before, many members will have quite a few working years left in their lives after they leave Parliament and they need to consider that issue. Portability is important, I agree, but the time spent in Parliament still takes a chunk of a member's life. The average period of service for a member of Parliament is between six and seven years. But even if the average is 10 years, that is 10 years in which most members of both chambers would have chosen deliberately to receive a lower salary and would be penalised for that.

HON GIZ WATSON (North Metropolitan) [12.07 pm]: I found that contribution to the debate on this Parliamentary Superannuation Amendment Bill 2011 of interest. I intend to give a very succinct contribution. The Greens (WA) are happy to support this bill. As Hon Max Trenorden said, it fixes some relatively minor problems in the way the Parliamentary Superannuation Act currently operates. I appreciate the briefing on these amendments that the Greens received, although it was some considerable months ago; however, we are happy to support the changes.

HON SIMON O'BRIEN (South Metropolitan — Minister for Finance) [12.08 pm] — in reply: I thank members for their support for the second reading of the bill. The majority of the debate, of course, canvassed a range of matters which related to parliamentary superannuation but which had nothing much to do with the bill. As I always anticipated would happen with debate on a bill called the Parliamentary Superannuation Amendment Bill 2011, it provided an opportunity for members to comment on some related matters, and indeed they have. I note from all the contributions, though, that I picked up no controversy about or dissent from any provision of the bill. I think this is as it should be. The provisions in the bill before the house are intended to correct circumstances that may arise, and indeed have arisen, when injustice, inequity, lack of fairness or hardship have resulted. We are going to address a whole lot of matters by these provisions. We are also embarking on some housekeeping matters to tidy up the bill, such as the deletion of the particular redundant provision that Hon Max Trenorden used as the basis to provide some historical perspective.

Hon Max Trenorden: It is fantastic that you allow a blue bill. We do not often get them. Even though this is a simple bill, it is a process that is appreciated.

Hon SIMON O'BRIEN: Thanks for that feedback. Other members have commented on that. When I was an opposition spokesperson, I always appreciated having a marked-up bill. For any bills that I am managing, I always try to provide a marked-up copy of the act. I thank the member for that feedback.

Hon Ken Travers: Can I add to that? The information that was provided and the quality of the presentation by the officers were of a standard that, if you could get all officers providing departmental briefings to meet, would do this place a great service.

Hon Max Trenorden: I could not agree more with you.

Hon Ken Travers: It was as good as I have seen presented by officers—in terms of both the briefing and the material they provided.

Hon SIMON O'BRIEN: Thank you; I will convey —

Hon Kate Doust: Minister, I missed the briefing, but I know that they do a good job!

Hon SIMON O'BRIEN: Thank you, members. Mr Deputy President, I will convey those sentiments to the officers involved, and I will be very pleased to do so! Frankly, that should be the standard for all government bills.

Hon Ken Travers: As I say, you should employ them to train other departments.

Hon Kate Doust: Like the Minister for Police's staff!

Hon Ken Travers: And pay them a bonus to do it!

Hon SIMON O'BRIEN: Before we risk unnecessary digression, I will conclude this observation by saying that there has been general agreement on and support for this bill, what it is trying to do and how it is constructed. I notice that there is not a supplementary notice paper. However, in addition, it does raise some other questions. The minister referred to in this bill is of course the Treasurer. I am managing the bill on behalf of the government in my capacity as Minister for Finance representing the Treasurer. In that sense, although ownership of this bill in this place is mine, it is not, in the colloquial sense, my bill. It is a great privilege to be able to manage a bill and I treasure the opportunity to do so in my parliamentary career. When a bill is read in and the second reading speech delivered, one is, as members know, constrained by the written word, whether one is the ultimate author of the second reading speech or simply delivering it on behalf of a colleague. However, it is when, as the minister in charge of the bill, one concludes the second reading debate that one has the opportunity to provide one's own observations. I therefore welcome the opportunity take just a few minutes to provide some observations.

Let me begin by telling members what happened back in 1997. Hon Greg Smith and I commenced our terms in this place on 22 May 1997 after an early December election in the previous year, and Hon Ray Halligan, who filled a casual vacancy, started, I think, on 3 June. In effect, the three of us came in together. A large group of members in the then government backbench had commenced in the previous December. They had been around for a while and some of them probably felt that they were new enough to know everything! If members are interested in my observations of the time—I think they will be—my recollection from the vantage point of about 14 years later is that the then member for Willagee, Hon Alan Carpenter, had previously caused something of a furore with his maiden speech. He did that because he raised a number of matters in a fairly confrontational way, one of which was to attack the parliamentary superannuation scheme with all the zeal of someone who is new enough to know everything and wants to make a name for himself. It became quite a political issue. At the time, a number of Assembly members from my party were trying to match that attention-seeking behaviour, thinking that there might be some sort of kudos in having a position and showing how they were up with contemporary standards and expectations, and all of the other arguments that arose at the time. When Hon Greg Smith, Hon Ray Halligan and I arrived as brand-new members, this matter was breaking. Although I do not know who it was addressed to or whether it was intended to be a public document or for the Premier only—it certainly became a public document and went to the newspaper; I forget which now and I do not have any copy to hand—a document was circulated advocating changes to the system whereby members could choose to remain in the system as it then was with a pension after seven years or opt for a new, more contemporary style of contribution scheme. Although I do not think it appeared in the prime document, they were also contemplating and made submissions, assisted by the then Speaker, Hon George Strickland, putting forward other proposals for a new package, which included, for example, what I might call a redundancy provision for members who were defeated after one or two terms and who then had problems readjusting back into the real world. We are all familiar with the problems that attend Assembly members who find themselves out like that on election day—sometimes very unexpectedly—with no income and perhaps with families to feed, commitments and mortgages and all the rest of it. The intention was to address that as part of a package of measures. However, the only thing that saw the light of day at that time was the idea to get rid of the parliamentary pension. Hon Greg Smith, Hon Ray Halligan and I were approached by a couple of what were probably overly enthusiastic people who were getting a quasi-petition together to present to the Premier and we were asked if we could show support for what they were trying to do by saying, “Yes, we ought to go down this path”. It was pointed out that the key element was that people would

have the option to opt in to this grand new scheme or stay with the old one. Greg, Ray and I said, “You have got to be kidding! We are not getting out of this scheme!” And, indeed, we did not.

A member interjected.

Hon SIMON O'BRIEN: We all learned something from that. Firstly, a number of us, including Greg Smith, Ray Halligan and I, with the benefit of some pretty immediate hindsight, wished that we had not involved ourselves. This shows one of the problems with a parliamentary superannuation scheme run by sitting members who are on a board as an ongoing part of public affairs. It is too easy under pressure from the media or some other outside quarter to say, “Oh yes, we have got to reduce provisions because someone sees them as overly generous.” And that is what has been happening for a period of time. I regret, as does Hon Max Trenorden, that there were not a few more people around in 1997 to tell Alan Carpenter to go and take a cold shower and to tell a group of about nine or 10 new Assembly Liberal members to go and take a cold shower until they had found out a bit more about what happens.

Hon Ken Travers: Are you saying you never signed that letter?

Hon SIMON O'BRIEN: I have already explained that I did, and the circumstances.

Hon Ken Travers: Do not say you were not a part of it.

Hon SIMON O'BRIEN: I am not saying that. I acknowledge that at the time Hon Ljiljana Ravlich, when approached by the media, gave the answer that everyone should have given, which was, “No, I am not interested in these measures that are being proposed.” And she said why. I admired her for having the guts to do that. It is a pity a few more of us—I include myself in it—did not have the guts to resist that sort of pressure, but they are the sorts of pressures we do come under and they are hard to resist sometimes, particularly when one is new to the maelstrom of politics. It is regrettable that the government then said it would go down that path and drew up a bill. Hon Graham Kierath and Hon Nick Griffiths were the members responsible for pulling together ideas and ultimately a bill went through. It is regrettable that both sides of politics decided that they would support the bill. I think it was short-sighted. I think there were other changes that should have been made.

Hon Max Trenorden: Change is desperately needed.

Hon SIMON O'BRIEN: Change is desperately needed, but the way in which this came about was regrettable. I am the last member from the class of '96 from my party—it was a very big group—and I am making this confession to the house and expressing my regret. It is a pity that the government of the day did not have the guts to stand up to the pressure and that the entire collegiate body of the Parliament could not get together and do that. Ultimately, of course, when this choice was brought in and members could opt for the new scheme or the old, only one person opted for the new, and he did not have any choice! That was Alan Carpenter. Having publicly demanded it, he did not have any choice. A matter that I regret having to observe is that after his government was defeated at the general election in 2008, it was quite some time before he left the Parliament. There was a lot of speculation as to whether or not it was simply because he could not afford to leave the Parliament; like other members who still have to live, especially if they have young kids to look after and so on. I acknowledge the sentiments that have been expressed and provide that manner of explanation.

I agree with Hon Max Trenorden that the parliamentary superannuation scheme has to evolve because I do not think it is all that it needs to be to meet the needs of the Parliament and its members into the future. Because I am the government minister in charge of this bill, I will not exceed my remit by offering any more personal observation, because there is a limit to how much licence I can take in that respect, and probably suggesting that further wholesale amendments need to be made to parliamentarians' superannuation is going way beyond the debate for today. But I do acknowledge it, and I have been here to see some of the changes that have been made and how they came about.

I also acknowledge the comment of Hon Max Trenorden that, in a sense, the board as a governance structure, because of the different types of memberships that it is servicing, is possibly past its day, or getting there, and it may be that the functions of superannuation need to be rolled into the responsibilities of the Salaries and Allowances Tribunal. These are all matters for another day, but as a member who has been here for a while, I acknowledge that there is merit in examining these suggestions and that they do need to be examined. The whole point of making these remarks today is to underscore that these are decisions which matter because they affect people's lives; they affect the lives of the families and dependents of members now and in the future and for those reasons they need to be made sensibly and on quiet reflection away from the glare of public debate. They are matters for us to take up away from this chamber and hopefully behind closed doors in future.

I conclude by thanking members once again for their support for the second reading of the bill and look forward to these changes benefitting future spouses and others.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Hon Simon O'Brien (Minister for Finance)**, and passed.