

Jay Weatherill Wants More MPs to get Super Boost

EXCLUSIVE
MICHAEL McGUIRE

POLITICIANS elected since 2006 stand to gain a windfall of hundreds of thousands of dollars in retirement payments if Jay Weatherill gets his way and revives the old parliamentary superannuation scheme abolished a decade ago because it was seen as too generous.

The Premier said he understood it would be an unpopular move but to attract better quality candidates and limit the temptation of corruption then it was important to improve politicians' pay and conditions.

"I don't think politicians should be making decisions as politicians even vaguely interested or concerned about where their next job might be coming from when they leave politics," he said. "I don't think we want people pulling their punches because they are worried about what kind of job they are going to get."

In the Governor's speech to Parliament earlier this week, the Government expressed its intention to commission the independent Remuneration Tribunal to review how much politicians are paid.

Mr Weatherill said, while the terms of reference were still to be finalised, it would include a review of the super system and he favoured a return to the scheme that was in place before 2004. The Government was unable to provide any cost estimate for any change.

Liberal treasury spokesman Rob Lucas said the party had made no decision on whether it would support the change. He said it would be a matter for the "party room" to decide.

Mr Weatherill said political life involved many sacrifices and limited a person's job opportunities in later life.

"I have seen colleagues spend the best years of their lives trying to get into Parliament, spending a lot of their money, trying to campaign and get elected for a couple of terms and get flung out, middle aged with very few job prospects," he said.

"I just think there is something inherently unfair about it." All MPs who entered Parliament at the 2006 and 2010 elections would benefit from the change, which would include



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high-profile figures such as Liberal leader Steven Marshall, Infrastructure Minister Stephen Mullighan and Greens leader Mark Parnell. It could even capture former Ministers Grace Portolesi and Chloe Fox who lost their seats in the 2014 poll. The Premier is already a beneficiary of the old scheme, as he entered Parliament at the 2002

election, so any changes would not increase his payout. Under the highly complex formula which determines such pensions, Mr Weatherill will need to serve as Premier for 12 years and be in Parliament for 21 to qualify for the maximum payout of around \$230,000 a year. The legislation provides that a politician in the pre-2004

scheme receives a lifetime pension of 41.2 per cent of their pension after six years. It then goes up by 0.2 per cent a month, with a higher loading the more senior the position. There is an even more generous scheme for those elected before 1995 which captures Speaker Michael Atkinson and Mr Lucas.

Politicians' super entitlements changed in 2004 after former federal Labor leader Mark Latham pledged to close down what he said was a scheme out of touch with community standards. It was a popular promise and Prime Minister John Howard adopted the policy as well. Premier Mike Rann also

EXAMPLES

Based on current positions and don't take into account pay rises, inflation, rate of return on current super scheme, compounding returns or tax. Also assumes the MPs remain in their current position for 12 years and remain in Parliament for 21 years.

- Steven Marshall**
Liberal leader
Current salary of \$267,978 would result in \$866,641 payout after 21 years based on current 15.4 per cent super contribution rate. Under old scheme would be entitled to 75 per cent of current salary – \$200,984 a year in retirement.
- Annabel Digance**
Labor chairwoman of Public Works Committee, backbencher
Current salary of \$174,568, would result in \$564,553 payout after 21 years. Under old scheme entitled to \$130,926 a year in retirement.
- Natalie Cook**
Labor backbencher
Current salary \$153,130, which would result in a \$495,222 payout after 21 years. Under old scheme would get \$114,848 a year in retirement.

ditched the old scheme, meaning new politicians would receive the same contribution as other workers. This was initially 9 per cent but it has since risen to 15.4 per cent.

Flinders University political lecturer Haydon Manning backed an increase in politicians' remuneration and said many ex-MPs told him there had been an "apparent" drop in the quality of candidates and it was tougher to find recruits.

"If you have a good job and are being paid quite well, what is the motivation to put your hand up for preselection," he said.

However, financial planning expert Theo Marinis questioned the move, saying: "It is unfunded, very generous to the people who receive it, but ridiculous to the people who have to pay it, who are the taxpayers."

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