



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

Hansard 7 December 1999

SUPERANNUATION LEGISLATION AMENDMENT BILL

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (12.31 p.m.): I rise to make a very short contribution to the debate on this Bill. Obviously, the Opposition will be supporting the Bill as it goes through the Parliament. The Bill, of course, comes about because the Commonwealth Government made changes to superannuation legislation in its 20 August 1996 Budget. Those changes, of course, have an impact upon a variety of people.

Mr Hamill: Wildly acclaimed.

Dr WATSON: Wildly acclaimed? I am sure that the Treasurer is speaking on behalf of all members in that case. Obviously, the changes that were instigated by the Commonwealth have an impact upon all States. In particular, they have an impact upon members of Parliament, on Governors and, of course, on judges in each of the States. Those differences across the States are reflected in slightly different pieces of legislation in each State. For example, in Queensland—and it is reflected in this Bill—both Governors and judges are constitutionally protected with respect to salaries. This particular Bill makes the surcharge of the Commonwealth a personal taxation liability for them.

For members of Parliament, of course, the taxation liability is imposed upon the superannuation fund. That is not true in other States. For example, in South Australia and Western Australia, members of Parliament are also constitutionally protected. But the way around that is to make it a personal liability for them, too.

I appreciated the Treasurer's interaction with myself and the member for Caloundra when looking at this in detail. I also thank Michael Pennisi, who I think is in the lobby. The explanations were thorough and detailed.

Mr Hamill: Illuminating.

Dr WATSON: Illuminating. Perhaps it did not assuage everybody's concerns, but it was done in an appropriate manner and, most importantly, it enabled me to understand exactly the impact of the changes and I was able to convey that to my colleagues on this side of the House.

Ever since superannuation became a major savings area, it has been a bit of a political football at the Commonwealth level. I think that is true whether we have a Labor Government or a coalition Government in Canberra. We are seeing constant changes to superannuation legislation, and this makes it difficult for people to plan their retirement and their savings. This latest change is simply another example of that. And certainly, for people in business, who need to make decisions about their investments and how they are going to control their business life, constant changes—whether they be in relation to taxation or superannuation—do not encourage certainty, nor do they encourage businesses to invest appropriately.

The lesson that we could all take on board, and particularly the Commonwealth Government—of whatever political persuasion—is that if it keeps making changes to areas that are particularly important to saving, businesses and other people will have a great deal of difficulty in planning for the future, and that will discourage investment for the future. And if investment is discouraged for the future, that will impact on all of us, in terms of having money available for retirement, and it will impact upon the willingness of people to make long-term investments, which will then have implications for the level of economic activity and jobs in our country.

I am not going to pursue that issue, because it is not particularly relevant to the legislation before the House, but I think it is worth making that point. With those few words, I support the Bill.