

Second Reading

The Hon. ROY SMITH [11.20 a.m.]: I move:

That this bill be now read a second time.

The Parliamentary Remuneration Amendment (Salary Packaging) Bill 2009, which was introduced in the other place by the Hon. Richard Torbay, proposes to amend the Parliamentary Remuneration Act 1989, the Parliamentary Contributions Superannuation Act 1971, and the Constitution Act 1902. I congratulate the Hon. Richard Torbay on introducing this sensible legislation, the results of which will be cost neutral to the taxpayer. The proposed amendments are designed to provide members of Parliament with access to salary packaging arrangements similar to those available to public sector employees in New South Wales. It also removes some anomalous limits on the contributions to superannuation accounts that apply to members of Parliament.

The intent of the bill is to provide a transparent new system for members to access some commonplace employment benefits in a straightforward and cost-effective way. I am advised that the bill will not provide any additional benefits to members that are not already available to the public sector and, furthermore, parliamentarians. Like everyone else, we will need to comply with the annual concessional contribution caps applying to employer contributions, which include salary sacrifice contributions. This bill comes to this Chamber with the full support of members in the other place. I commend the bill to the House.

The Hon. TONY KELLY (Minister for Police, Minister for Lands, and Minister for Rural Affairs) [11.21 a.m.]: The Government supports the Parliamentary Remuneration Amendment (Salary Packaging) Bill 2009. Salary packaging arrangements are now standard features of employment in New South Wales, in both the private sector and the public sector. However, the Government's support for the bill is predicated on the proposed new arrangements being cost neutral. The Government is confident that it will create no additional costs for taxpayers. I am advised that Western Australia has already introduced a broad salary packaging scheme for members of Parliament. While the scheme will enable parliamentarians to package their remuneration in ways that may be beneficial overall, it is important to emphasise that any costs of providing the benefits will be borne by members of Parliament.

The bill will also ensure that an independent body—the Parliamentary Remuneration Tribunal—is charged with determining which non-superannuation benefits, such as cars and computers, are appropriate to be made available as part of a salary packaging arrangement. The bill also removes limits on the amounts that parliamentarians can salary sacrifice as superannuation contributions in the same way as limits were removed sometime ago for public sector employees in New South Wales. I am advised that allowing parliamentarians access to more flexible superannuation arrangements will not increase the Government's superannuation liabilities.

I note that the bill will also amend section 13 of the Constitution Act to resolve any possible doubt that a member of Parliament who participates in a salary sacrifice scheme may be disqualified. The amendment puts beyond doubt that this disqualification will not be triggered when a member of Parliament enters into a salary sacrifice arrangement. The bill serves as an update to the remuneration structures for parliamentarians in New South Wales that are no different from those already widely available to many employees. I support the bill.