



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

### **SUPERANNUATION LAWS AMENDMENT (2004 MEASURES NO. 1) BILL 2004**

### **SUPERANNUATION LAWS AMENDMENT (2004 MEASURES NO. 2) BILL 2004**

**In Committee**

## **SPEECH**

**Wednesday, 23 June 2004**

BY AUTHORITY OF THE SENATE

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## SPEECH

**Date** Wednesday, 23 June 2004  
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**Questioner**  
**Speaker** Cherry, Sen John

**Source** Senate  
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**Senator CHERRY** (Queensland) (12.22 pm)—The Democrats will be supporting this amendment at this stage for reasons that I outlined in my speech in the second reading debate. We believe that the earnings base for superannuation guarantee does need to be reformed. We made that clear in the Senate select committee report that Senator Sherry referred to. It is unfortunate that it has taken so long to come to this point. Again, the Treasurer, Peter Costello, and the Assistant Treasurer should be commended for at least acting on this issue after so many years of neglect by both the previous government and the current government.

The question is: what is a reasonable phase-in period? We think that 13 years is a fair and reasonable phase-in period. We think that 20 years is a bit long. Let us remember that employers have had the benefit of this notional employment base for the 13 years since 1991. We will support this amendment. Senator Sherry pointed out that this amendment is a bit rough and ready because it is difficult to put issues about incapacity to pay into an amendment at this very late stage. I do not have a particularly strong view on whether the issue of incapacity to pay should be determined by the Industrial Relations Commission or by the ministers themselves. It would be an exception to the general rule that the earnings base should be shifted as early as possible. Whether the earnings base should shift from 2005, 2006, 2007, 2008 or 2009 is a matter that I am happy to discuss at further length.

The Democrats' strong view is that the earnings base anomaly should be fixed as soon as possible and that 2010 is too far into the future. We ask the government to give serious consideration to bringing that date forward, albeit with appropriate safeguards for those employers who might have difficulty adjusting to it. Certainly in my state of Queensland I have received a lot of representations on this issue, particularly from nurses and mine workers and other shift workers who are seriously affected by this. In the case of a person who does a lot of shift work, up to half of their money can be excluded from the calculation of superannuation guarantee. These figures would be familiar to the minister in bringing this provision forward because it is a significant wage equity issue. It is reducing people's retirement incomes. On behalf of the Democrats I would encourage the minister to bring forward this date from 2010 and look at a more reasonable phase-in period. I will support the amendment today but I would certainly encourage the minister to look at some shorter phase-in period than 2010, albeit with appropriate modifications, as Senator Sherry has suggested.