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REPORT OF
THE PARLIAMENTARY SALARIES AND
ALLOWANCES TRIBUNAL
INQUIRING INTO
BASIC SALARY, ALLOWANCES AND BENEFITS
PROVIDED TO MEMBERS
OF THE TASMANIAN PARLIAMENT

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Hobart, Tasmania
30 May 2014

PREFACE

In terms of public perception, there is never a good time to review the salary and benefits for members of Parliament.

We are aware from media coverage that the Government is facing a challenging budgetary position and is urging restraint on all sectors of Government activity.

Against this background, the easy way through would be to adopt the Government wages policy, a position urged by a number of organisations that made submissions to this review, including the then State Government.

We have chosen an alternative course, as to do otherwise would serve to perpetuate an inequity and unfairness, and simply delay public cynicism and rancour to another day.

We have endeavored to identify arrangements that will end this public disquiet once and for all, and ensure that into the future, salaries for MPs will be adjusted in line with wage movements for the wider community, which includes the public sector.

To achieve this position we must, however, establish an appropriate base and that is not possible by the application of the Government Wage policy (2% salary increase).

The basic salary we have determined will remain the lowest of any Australian Parliament by a significant margin.

Our conclusions must also be seen in the context of Tasmanian MPs having, arguably, the least generous provisions in terms of superannuation, staff support and other benefits of any Australian parliamentary jurisdiction.

This should not come as any surprise, as similar contextual positioning extends to many sectors of the Tasmanian workforce.

The relative position of Tasmanian MPs will not significantly change as a consequence of this report.

The salary, allowance and benefits regime for members of the Tasmanian Parliament must, above all else, be determined in the context of the Tasmanian workforce and having regard to community expectations.

We believe we have achieved this balance.

Tim Abey

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Glossary of Frequently Used Terms

ABS: Australian Bureau of Statistics

ANMF: Australian Nursing and Midwifery Federation (Tasmanian Branch)

AWE: Average Weekly Earnings

AWOTE: Average Weekly Ordinary Time Earnings, Full Time Adults, Tasmania

ACT Report 2014: *Final Report on the Review of Entitlements for Members of the Australian Capital Territory Legislative Assembly*, ACT Remuneration Tribunal, April 2014

Basic salary: Salary paid to members of the Tasmanian Parliament pursuant to Schedule 1 of the *Parliamentary Salaries, Superannuation and Allowances Act 2012*

Commonwealth Report 2011: *Review of the Remuneration of Members of Parliament*, Commonwealth Remuneration Tribunal, December 2011

CPI: Consumer Price Index, All Groups, Hobart

CPSU: Community and Public Sector Union, Tasmanian Branch, (SPSF Group)

Egan Report: *The Attributes, Role and Reward of a Backbencher in the Federal Parliament*, Egan Associates, November 2011

HACSU: Health and Community Services Union, Tasmanian No. 1 Branch

MP: Member of Parliament

Queensland Determination 1/2013: *Building a New Remuneration Structure for Members of the Queensland Parliament*, Queensland Independent Remuneration Tribunal, 15 October 2013

Queensland Determination 3/2014: Queensland Independent Remuneration Tribunal, 27 March 2014

1973 Act: *Parliamentary Salaries and Allowances Act 1973*

2012 Act: *Parliamentary Salaries, Superannuation and Allowances Act 2012*

1997 Report: *Report of the Full Bench of the Tasmanian Industrial Commission Established to Determine the Basic Salary and Additional Salaries Payable to Members of the Tasmanian Parliament*, Westwood P, Johnson DP, Watling C, 14 May 1997

2006 Report: *Report of the Second Committee of Review Inquiring into Allowances and Benefits Provided to Members of the Tasmanian Parliament*, Leary, Abey, McAlpine, 21 August 2006

WPI: Wage price Index, Ordinary Time Hourly Rates of Pay, Excluding Bonuses Tasmania, Private and Public; All Industries

1 Executive Summary

- 1.1 Following the release of an *Issues Paper* in October 2013 the Tribunal received and considered a range of submissions from interested individuals and organisations. In reaching our conclusions, the Tribunal has also taken into account a wide range of reports and research material relating to other Australian parliaments, and data relating to wage movements in the wider community relevant to the issues to be determined. Our findings are summarised below.

The Basic Salary (see section 4)

- 1.2 There is no longer any justification for a linkage with the Commonwealth Parliament. We have, however, concluded that the role of an MP in the Tasmanian Parliament is broadly similar to MPs in the other State and Territory Parliaments. That said, we have also concluded that the 'size' of the role, in terms of population and shared budget responsibility, is a relevant consideration.
- 1.3 The basic salary has, on any measure, lost significant relativity with the other State and Territory Parliaments, State Service employees and the wider Tasmanian workforce. This loss of relativity is particularly evident over the past five years.

In order to establish an appropriate base we have determined the basic salary to be \$128 000 pa, to be phased in as follows:

- \$124 000 from 1 July 2014
- \$128 000 from 1 January 2015

- 1.4 The Tribunal does not favour a formal linkage with any external salary point, whether a parliamentary or State Service position. We have determined that from 1 July 2015 and 2016, the basic salary be adjusted in line with movements in the Wage Price Index (WPI) for Tasmania as it is considered that this index best represents wage movements in the Tasmanian workforce. In 2016/17 there is to be further review by an independent tribunal, with a view to any changes taking effect from 1 July 2017.

Motor Vehicle Allowance (see section 5.2)

- 1.5 The existing arrangements concerning the provision of a fully maintained motor vehicle, or the payment of an allowance, will continue. In future the allowance will be adjusted in line with movements in the Consumer Price Index (CPI), rather than the basic salary.

Telecommunication Allowances (see section 5.3)

- 1.6 The Tribunal found that existing arrangements in relation to the provision of equipment and reimbursement of 80% of mobile telephone charges to be satisfactory, and will continue unchanged. However the emergence of 'bundled'

telephone accounts has rendered the existing arrangement for home land line telephone services difficult to administer. We have determined that this aspect of the allowance be replaced with an allowance of \$50 per month.

Committee Sitting Fees (see section 5.4)

- 1.7 We have concluded that Committee work is part and parcel of the normal role of an MP in the same manner as participating in parliamentary debates and attending briefings. Sitting fees for members of Standing Committees will be abolished from 1 July 2014. However sitting fees for Committee Chairs will continue, and further, will extend to Chairs of all Standing and Select Committees, in recognition of the additional responsibilities of these positions.

Away From Home Travelling Allowances (see section 5.5)

- 1.8 Apart from a minor change to ensure consistency with the State Service provision, the existing arrangements will continue.

Bass Strait Travelling Allowance (see section 5.6)

- 1.9 This allowance will remain unchanged.

Taxi Allowance (see section 5.7)

- 1.10 This allowance will be abolished.

Entertainment Allowance (see section 5.8)

- 1.11 This allowance, payable to designated office holders, will continue unchanged.

Electorate Allowance (see section 5.9)

- 1.12 There will be no change to structure of this allowance. Existing allowances will be increased by 2.76% effective from 1 July 2014. The Allowance will in future be adjusted in line with the CPI rather than the basic salary.

Codification of Leave Arrangements (see section 5.10)

- 1.13 In lieu of the existing arrangements whereby MPs take leave as opportunity offers, or by leave of the House in the case of personal and parental leave, a number of submissions proposed that there be a clear set of codified entitlements consistent with the wider workforce. We have declined to alter the existing arrangements noting that with the benefit of a wider range of views, there may well be a case for the codification of parental leave in particular.

Resettlement Allowance (see section 5.11)

- 1.14 A new allowance known as the Resettlement Allowance has been introduced. This allowance will provide for the payment of 12 weeks' salary to eligible MPs defeated at a General election, or who lose party endorsement. This allowance is consistent with similar (and often more generous) provisions in most other parliaments and is designed to assist a defeated member's transition from public office to private life, noting that MPs have no entitlement to redundancy pay or payout of accumulated leave.

Electorate Offices (see section 5.12)

- 1.15 The submission of the then State Government raised a number of issues concerning minimum standards, funding and governance of electorate offices. We have concluded that this is beyond the Terms of Reference for this Inquiry.

2 Introduction

2.1 Terms of Reference

2.1.1 *The Parliamentary Salaries, Superannuation and Allowances Act 2012 (2012 Act) provides for the establishment of a tribunal to prepare a report "determining the basic salary and other matters."*

2.1.2 By Order-in-Council dated 26 June 2013 Timothy John Abey (chair), Nicole Mary Wells and Barbara Deegan were appointed to constitute the Tribunal.

2.1.3 The Tribunal was provided with the following Terms of Reference:

"With the objective of determining

the basic salary for Members of the Tasmanian Parliament as required by clause 4 of Part 1 of Schedule 1 to the Parliamentary Salaries, Superannuation and Allowances Act 2012; and

whether the entitlements of, and benefits provided to, Members of the Tasmanian Parliament (other than the basic salary, additional salary, or superannuation) provided for in Schedule 2 of the Parliamentary Salaries, Superannuation and Allowances Act 2012 remain appropriate to the contemporary needs of such Members;

and taking account of the Government's wages policy;

by 31 May 2014, prepare and provide to the Premier a report determining:

- 1. the basic salary; and*
- 2. any changes to any of the allowances and benefits provided for in Schedule 2 to the Parliamentary Salaries, Superannuation and Allowances Act 2012; and*
- 3. in respect of the basic salary and of any change to any allowance or benefit aforesaid, the date from which that salary, allowance or benefits to be effective, and a formula or method to enable the annual or other periodic adjustment of that salary, allowance or benefit, as the case may be."*

2.1.4 The Tribunal was advised of the Government's wages policy:

"The Tasmanian Government 2011 State Service Wages Policy is to provide appropriate remuneration to state service employees that reflect the Government's current difficult budget position, changes in productivity,

the efficient delivery of services to the Tasmanian community, the skills and experience of employees and ongoing workplace reform.

Any salary, allowances and/or conditions package increases (non-productivity based increases) cannot exceed 2% per annum.

Increases beyond 2% per annum can only occur where genuine productivities are demonstrated, able to be realised and approved by Budget Sub Committee of Cabinet. The productivity component will be capped at an equivalent value of 0.5% per annum"

2.2 Process and Methodology

- 2.2.1 The Tribunal published an *"Issues Paper"* which outlined the recent history of salary determinations for Members of the Tasmanian Parliament (MPs), discussed the issues under consideration and invited submissions from individuals and organisations. The *Issues Paper* was placed on the Tribunal website and direct mailed to registered employer and employee organisations, welfare groups and all members of the Tasmanian Parliament.
- 2.2.2 Public notices were placed in the three daily newspapers drawing attention to the Inquiry, the *Issues Paper* and the capacity to lodge a submission.
- 2.2.3 Submissions could be made in writing, in person or both. The default position was that submissions would be public in nature (ie published on the website), unless the individual or organisations lodging the submission requested confidentiality.
- 2.2.4 On 18, 19 and 20 November 2013 the Tribunal sat and heard submissions from a number of individuals appearing in person.
- 2.2.5 During November the Tribunal Members visited Parliament House, observed both Chambers during debate, met informally with a number of MPs and Parliamentary Officers and inspected facilities and resources available to MPs.
- 2.2.6 A total of 21 (written and oral) submissions were received.

3. Background

3.1 History of Salary Determination for Members of the Tasmanian Parliament

- 3.1.1 The *Parliamentary Salaries and Allowances Act 1973* (1973 Act) fixed Tasmanian Parliamentary salaries by reference to the average of salaries paid to parliamentary members in NSW, Victoria, Queensland, Western Australia and South Australia.
- 3.1.2 This methodology remained in place until June 1981. From that point until 1 January 1984, parliamentary salaries were, by legislative amendment, 'frozen'.
- 3.1.3 The *Parliamentary Salaries and Allowances Amendment (No 2) Act 1984* set the basic salary at \$34 630 and established a new methodology for adjustment. In essence this provided a link with salary increases applicable to State Servants.

The quantum was determined by the Auditor-General, in consultation with the Public Service Board (1984-1986), or the Tasmanian Industrial Commission (1986-88). The substantial thrust of this methodology, with some interruptions, remained in place until 1993.

- 3.1.4 In November 1993 the 1973 Act was amended by repealing the 1984 type methodology in favour of an approach which set the Tasmanian basic salary at 95% of the basic salary of a member of the Federal Parliament. This resulted in a 40% salary increase.
- 3.1.5 In 1995 the *Report of the Committee of Review Inquiring into Parliamentary Salaries* (Collier Report) effectively endorsed the 95% ratio and recommended that it increase to 97% from 1 July 1997.
- 3.1.6 Notwithstanding that Report, in July 1995 the 1973 Act was amended to reduce the ratio to 88.9%.
- 3.1.7 During the period 1973 to 1996, the ratio between the Tasmanian and Commonwealth basic salary ranged from a low of 68.2% (July 1993) to a high of 95.0% (July 1994), with an average of 81.65%.
- 3.1.8 For a more comprehensive outline of this historical perspective, see the *Report of the Full Bench of the Tasmanian Industrial Commission Established to Determine the Basic Salary and Additional Salaries Payable to Members of the Tasmanian Parliament*, 14 May 1997 (1997 Report).
- 3.1.9 The 1997 Report set the percentage of the Commonwealth basic salary at 85.19%. This determination was based on the differential in Average Weekly Earnings (AWE) between Tasmania and the average of the other States and Territories, (10.73%), applied to the average basic salary payable to members of all Australian Parliaments. This equated to a salary of \$68 372, or 85.19% of the Commonwealth basic salary, with effect from 30 June 1996.
- 3.1.10 The 1997 Report noted that the AWE differential varied from year to year and for that reason, concluded that *"a percentage determined as appropriate for one year should not be used as the relevant determinant for all years."*
- 3.1.11 The Report went on to recommend a mechanism whereby the basic salary could be reviewed annually by a specially constituted Remuneration Tribunal, using the methodology referred to above, to determine the percentage of the Commonwealth basic salary to apply from 1 July in the relevant year.
- 3.1.12 It would seem that this recommendation was not actioned and, as a consequence, the Auditor-General continued to determine, not later than 14 July in each year, the basic salary in accordance with the 1997 Report finding of 85.19% of the Commonwealth basic salary.
- 3.1.13 In December 2011 the Commonwealth Remuneration Tribunal released an initial report following a Review of the Remuneration of Members of Parliament (Commonwealth Report 2011). This was a comprehensive work value assessment of the work of a Commonwealth parliamentarian of which more is said elsewhere in this Report. In summary, the Commonwealth Report 2011:
- Increased the base salary from \$140 910 to \$185 000
 - Abolished the individual overseas study travel entitlement

- Restricted the severance travel entitlements to a maximum of five return trips
- Recommended that the Life Gold Pass (LFG) be abolished prospectively

3.1.14 In light of the Commonwealth Report 2011, had the Tasmanian legislation remained unchanged, the outcome would have been a substantial consequential salary increase.

3.1.15 The *Parliamentary Salaries, Superannuation and Allowances Act 2012* abolished the linkage with the Commonwealth basic salary and required the Auditor-General to determine that the Tasmanian basic salary be increased by 2% from 1 July 2012 and a further 2% from 1 July 2013. Presumably this was consistent with the State Government wages policy.

3.1.16 Further, the 2012 Act provided for the establishment of a tribunal to "*prepare a report determining the basic salary and other matters.*"

3.2 *Salary Determination for other State, Territory and Commonwealth Parliaments.*

3.2.1 The following is a summary of the salary determination mechanisms and recent determinations applicable to members of other Australian Parliaments.

Commonwealth

3.2.2 Salaries and most allowances are determined by the *Remuneration Tribunal*, established under the *Remuneration Tribunal Act 1973*. Determinations cannot be disallowed or modified by Parliament. In a statement issued on 12 May 2014, the Tribunal determined that there would be "*no annual adjustment to remuneration for offices in its jurisdiction from 1 July 2014.*"

Australian Capital Territory

3.2.3 Salaries and allowances are determined by the *ACT Remuneration Tribunal* established under the *Remuneration Tribunal Act 1995*. This is an independent statutory tribunal and its determinations cannot be disallowed by the Legislative Assembly. In a determination released in April 2014, the basic salary was increased by 6% from 1 July 2014.

New South Wales

3.2.4 Salaries and allowances are determined by the *Parliamentary Remuneration Tribunal* established under the *Parliamentary Remuneration Act 1989*. The *Parliamentary, Local Council and Public Executives Remuneration Legislation Amendment Act 2011* broke the pre-existing nexus with the base salary of federal MPs and requires the Tribunal to give effect to Government wage policy.

Northern Territory

3.2.5 The basic salary of Assembly members is tied to the annual rate of increase in the salary of the Northern Territory Public Service (NTPS). Section 3 of the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*

describes the linkage. The basic salary was as a consequence increased by 3% from 10 October 2013.

Queensland

3.2.6 In July/August 2013 the pre-existing linkage with the Commonwealth was broken and the Queensland Independent Remuneration Tribunal established. In a decision issued on 15 October 2013, (Queensland Determination 1/2013) the basic salary was increased by a cumulative 8.5% from 1 July 2013. A subsequent decision released on 27 March 2014 (Queensland Determination 3/2014) dealt with additional salaries for office holders and associated allowances.

South Australia

3.2.7 The *Parliamentary Remuneration Act* 1990 describes the linkage with the federal base salary and establishes the S.A. *Remuneration Tribunal* which determines entitlements other than the basic salary. The *Parliamentary Remuneration (Basic Salary) Amendment Act* 2012 states that from 1 July 2012 the S.A. basic salary shall be \$42 000 less than the Commonwealth basic salary.

Victoria

3.2.8 The Premier's press release of 2 May 2013 announced the end of the link between state and federal MPs' pay, introduction of legislation to limit pay rises for MPs to 2.5% for 2012-13 and the establishment of an independent review to assess alternative methods for determining remuneration of state MPs.

3.2.9 The *Parliamentary and Public Administration Legislation Amendment Act* 2013 set MPs' basic salary at \$140 973 from 1 July 2013 with a further increase of 2.5% from 1 July 2014. From 1 July 2015 the salary will be adjusted by the relevant ABS index for Victorian Adult Average Weekly Ordinary Time Earnings.

Western Australia

3.2.10 Salaries and entitlements are determined by the independent *Salaries and Allowances Tribunal* established pursuant to the *Salaries and Allowances Act* 1975. On 27 June 2013 the Tribunal granted a 2.6% salary increase to members of Parliament, statutory office holders and senior public servants by way of a "general remuneration adjustment".

3.2.11 On 9 August 2013 the Tribunal announced an ongoing inquiry into the remuneration of MPs. In doing so the Tribunal observed:

"The Tribunal has for several years commented in its determinations on the deterioration in remuneration of Members of Parliament in Western Australia relative to various public office holders..."

This year the Tribunal has embarked on an inquiry into remuneration of Members of Parliament which is intended to provide grounding in reason and argument to the Tribunal to address the pay gap that exists here in Western Australia. The inquiry is intended to inform the Tribunal in the context of the significant increase in pay awarded to Commonwealth Members of Parliament in 2012 and reviews currently underway in other Australian jurisdictions."

3.2.12 At the time of writing the outcome of this review is not yet known.

4 The Basic Salary

4.1 What is the Basic Salary?

4.1.1 The basic salary is provided for in the 2012 Act and, in essence, is the salary paid to all Members of Parliament (MPs) and does not include any additional payments such as ministerial loadings, superannuation and electorate allowance.

4.1.2 As of 1 July 2013, the basic salary is \$118 466 pa.

4.1.3 The 2012 Act provides for additional salary paid to the holders of ministerial and other designated offices. For completeness, the additional salary components are listed below:

"The percentage of the basic salary that is additional salary is –

Office	Per cent
<i>Premier</i>	115
<i>Deputy Premier</i>	82
<i>Minister</i>	70
<i>Secretary to Cabinet</i>	30
 <u>Legislative Council</u>	
<i>President</i>	35
<i>Leader for the Government</i>	70
<i>Chair of Committees</i>	20
<i>Deputy Leader for the Government</i>	35
 <u>House of Assembly</u>	
<i>Speaker</i>	35
<i>Chair of Committees</i>	20
<i>Leader of the Opposition</i>	70
<i>Deputy Leader of the Opposition</i>	35
<i>Government Whip</i>	6
<i>Opposition Whip</i>	6
 <i>Leader of a recognised non-government party, other than the Opposition</i>	 35"

4.1.4 It must be emphasised that the additional salary component does not form part of this review.

4.2 *The Role of an MP*

4.2.1 Unlike the public and private sectors, there is no specific job description attached to the role of an MP. Not surprisingly, MPs come from a range of backgrounds and have differing skills experience and qualifications.

4.2.2 The role of an MP has been discussed in a number of publications including the *Egan Report*¹ and more recently the *Queensland Independent Remuneration Tribunal Determination* (Queensland Determination No 1/2013).² The work can be categorised into three components:

- Parliamentary work;
- Electorate representation; and
- Engagement with a political party (if a member)

4.2.3 The Queensland Determination No.1/2013 described these roles as follows:

“An MP’s role within their electorate involves engaging with and representing their constituents in a variety of forums such as community organisations, public committees and parliament itself. MPs also have an electorate office, supported by electorate staff, which is used as a key contact point for all constituents within their electorate. MPs generally receive and are required to respond to correspondence from constituents covering a broad range of issues, and will often use print and social media to communicate directly with their constituents on issues that affect them. They are also often called upon to investigate and to mediate disputes between organisations and members within their electorate and are looked to as a leader within the communities they represent.

In relation to parliament, an MP’s role principally involves debating public policy and legislation that comes before parliament and its committees. Many MPs also undertake other formal roles either within parliament or within the executive (e.g. Committee Member, Whips, Leader of the House, Speaker, Minister or Assistant Minister, Leader of the Opposition and Premier). MPs are expected to attend parliament on all sittings days unless excused from attendance and are often required to work late into the evening, or early morning to debate policy and legislation.

For MPs who are members of a political party, their role also covers involvement in branch meetings, state conferences and parliamentary party meetings to debate and agree upon party policy. The role of an MP may be described as:

¹ *The Attributes, Role and Reward of a Backbencher in the Federal Parliament* [November 2011] Egan Associates

² *Building a new remuneration structure for Members of the Queensland Parliament*, Queensland Independent Remuneration Tribunal, Determination 1/2013, 15 October 2013

- *a representative of the people in their electorate who must play an active role in their community; listening and providing advice to, and advocating for their constituents*
- *providing a direct link between their electorate and parliament*
- *advocating on behalf of their constituency*
- *contacting and supporting the communities within their electorate*
- *performing parliamentary functions as a member of the Legislative Assembly, such as debating legislation, scrutinising the actions of the executive government through asking questions on notice or without notice and making speeches, particularly on topics that affect their constituency*
- *serving on parliamentary committees, as required, to examine specific issues and legislation that comes before parliament*
- *participating in internal party processes where applicable.”*

4.2.4 Allowing for nomenclature differences, we believe the above adequately describes the role of the Tasmanian MP, with the added dimension of promoting Tasmania and advocating on behalf of the State.

4.2.5 The **then State Government** submission noted that, in relation to electorate work, constituents have an expectation that MPs with whom they interact, in addition to being fully aware of matters before the Tasmanian Parliament, also have an understanding of the principal activities of the Australian Government and the operational role of local government within their electorate.

4.2.6 In many, perhaps most respects, the fundamental role of an MP has not changed significantly since the 1997 Report although the 24/7 media cycle has increased the pace of the analysis and examination of parliamentary activity and the work of MPs. The then State Government submission noted:

“In common with many other public figures throughout Australia, Members are subject to increasing public scrutiny – sometimes of their private as well as their public lives. Modern communications encourages and facilitates immediate public scrutiny of parliamentary and party discussions and decisions. Members can be expected to be available to comment on issues as they are evolving often without any time to reflect on questions. The ability and constant requirement to deal with the media, mainstream and social, is a developing competency that is another factor in determining an appropriate level of remuneration.”

4.2.7 As an example, we were told that previously the public expectation for a response to correspondence was in the region of two weeks. With the widespread advent of email, that expectation had reduced to ‘same day’.

4.2.8 Whilst the electronic age, 24/7 media cycle and social media has affected most aspects of working life, we accept that the impact on MPs has been adversely disproportionate compared to the mainstream workforce.

4.2.9 In terms of the desired skill set the **then State Government** observed:

“Given the variety of activities that a Member of Parliament is expected to undertake, he or she needs to possess a broad set of skills. These include:

- *Leadership skills;*
- *Community representation skills;*
- *Interpersonal skills;*
- *Negotiation and influencing skills;*
- *Debating skills;*
- *Speaking in public;*
- *Research and analytical skills;*
- *IT related skills;*
- *Chairing skills; and*
- *Knowledge of the way government works.*

To be fully proficient as a Member of Parliament it would be usual for members to have a post-secondary or tertiary education or the equivalent experience in business or a profession prior to entering parliament.”

4.2.10 The submission also noted that *“the role of a Member of the Tasmanian Parliament is broadly similar to that of members of other Australian Parliaments.”* On the material available to the Tribunal, we concur with this observation.

4.3 *History of Changes to the Basic Salary*

4.3.1 The following table outlines changes to the level of the basic salary since the 1997 Report.

Table 1 - Changes to Basic Salary 1996 to 2013

Date	Salary \$pa.	Increase	Comments
1/7/1996	68 372	1.26%	1997 Report sets basic salary at 85.19% of Commonwealth basic salary

Table 1 continued

1/7/1997	69 733	1.99%	Commonwealth nexus
1/7/2000	72 837	4.45%	5% increase in Commonwealth rate
1/7/2001	78 375	7.6%	Commonwealth nexus
1/7/2002	81 442	3.9%	Commonwealth nexus
1/7/2003	84 168	3.3%	Commonwealth nexus
1/7/2004	87 541	4%	Commonwealth nexus
1/7/2005	90 957	4%	Commonwealth nexus
1/7/2006	94 689	4%	Commonwealth nexus
1/7/2007	101 334	7%	Commonwealth nexus
1/7/2008	108 242	6%	Commonwealth nexus
1/7/2010	111 663	3%	Commonwealth nexus
1/7/2011	113 866	2%	Linkage with Commonwealth broken after Remuneration Tribunal awards 31% increase. 2% consistent with State wages policy
1/7/2012	116 143	2%	State wages policy
1/7/2013	118 446	2%	State wages policy

4.3.2 For a detailed history of the basic salary since the inception of the Tasmanian Parliament, see Appendix 1.

4.4 *Statistical Analysis of Salary Movements with Relevant Indices*

4.4.1 In the following table, salary movements for Tasmanian MPs are compared with changes in the Consumer Price Index, Average Weekly Ordinary Time Earnings and the Wage Price Index

Table 2 - Comparison between Basic Salary, Consumer Price Index (CPI), Average Weekly Ordinary Time Earnings (AWOTE) and Wage price Index (WPI), 1996 to 2014

<i>Date</i>	<i>Basic Salary \$pa</i>	<i>CPI, all groups, Hobart</i>	<i>AWOTE F-T adults Tasmania \$pw</i>	<i>WPI Tasmania</i>
	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
1/7/1996	68 372	67.7	630.00	
1/7/2003	84 168	79.1	797.90	79.7
1/7/2008	108 242	91.5	955.60	97.1
1/7/2013	118 466	101.7	1260.20	115.3
% change since July 1996	73.3%	50.2%	100%	
% change since July 2003	40.3%	28.6%	57.9%	44.7%
% change since July 2008	9.4%	11.1%	31.9%	18.7%
Subsequent changes November 2013 March 2014		104.1	1272.10	117.5%
Additional change		2.4%	1.0%	1.91%

Source:

- (1) Parliamentary Research Service
- (2) ABS Catalogue 6401.0
- (3) ABS Catalogue 6302.0
- (4) ABS Catalogue 6345.0

4.4.2 From this table the following observations can be made:

- The basic salary has lagged significantly behind the wider workforce (AWOTE) in all relevant periods. Since July 2008 the basic salary has increased by 9.4% whereas AWOTE has increased by 31.9%

- Movements in the basic salary are more closely aligned with changes in the WPI. This is arguably a better measure of movements in wage rates (see discussion under Mechanism for Future Adjustment below). However since July 2008 the change in the WPI is still double that of the basic salary
- Over the total period, changes in the basic salary are comfortably ahead of the CPI. However, since July 2008 the salary has lost significant ground to inflation.

4.5 Comparison with other Australian Parliaments

4.5.1 The following table compares the basic salary in each of the Australian Parliaments.

Table 3 - Comparison of Basic Salary for each Australian Parliament 1996 - 2013

Parliament	Basic salary as at 30 June 1996	Basic salary as at 1 July 2013	% increase 1996 to 2013
Commonwealth	80 251	195 130	143.1%
NSW	79 751	146 251	83.4%
Victoria	79 751	140 973	76.8%
Queensland	79 751	148 848	86.6%
South Australia	78 251	153 130	95.7%
Western Australia	79 453	148 638	87.1%
Northern Territory	77 251	138 953	79.9%
ACT	58 264	125 259	115%
Tasmania	68 372	118 466	73.3%
Average of all Parliaments excluding Tasmania	76 590	149 647	95.4%
% differential from Tasmania	12.0%	26.3%	
Average of all State and Territory Parliaments excluding Tasmania	76 067	143 150	88.2%
% differential from Tasmania	11.3%	20.8%	

- 4.5.2 Over the period under review salary movements for Australian Parliaments have, on average, been slightly less than AWOTE, although there has been a wide disparity between the various Parliaments, particularly the Commonwealth.
- 4.5.3 If the Commonwealth is not taken into account, the average increase for the State and Territory Parliaments is 88.2% compared with the national AWOTE increase of 113.7%.
- 4.5.4 It is clear that the basic salary in Tasmania has lost significant relativity, going from a position approximately 12% below the average of the other Parliaments in 1996, to 26.3% below in 2013. If the Commonwealth is removed, the loss of relativity remains but is somewhat less, going from 11.3% to 20.8% below the average. For reasons discussed later in this Report, we consider it appropriate to exclude the Commonwealth from this statistical analysis.

4.6 Average Weekly Earnings (AWE)

- 4.6.1 The loss of relativity referred to in 4.5 above has also extended to the wider Tasmanian workforce, albeit to a lesser extent. The following table identifies the differential between Tasmania and Australia for various AWE indices in May 1996 and November 2013.

Table 4 - Average Weekly Earnings, (trend) Australia and Tasmania, 1996 – 2013

May 1996	Average weekly ordinary time earnings F-T adults	Total earnings F-T adults	Total earnings All persons
Australia	672.80	715.30	565.40
Tasmania	630.00	658.20	507.60
% differential	6.7%	8.7%	11.4%
November 2013			
Australia	1437.70	1498.7	1115.40
Tasmania	1272.10	1305.5	945.40
	13.0%	14.8%	18.0%

Source: ABS Catalogue 6302.0

- 4.6.2 To complete the picture the following table shows AWE in ascending order for each of the States and Territories as at November 2013.

Table 5 - Average Weekly Ordinary Time Earnings, Full-time adults, (trend) States and Territories, November 2013

Tasmania	1272.10
South Australia	1315.70
Victoria	1384.70
NSW	1420.60
Queensland	1427.10
Northern Territory	1451.90
Western Australia	1627.40
ACT	1678.20

Source:
ABS catalogue 6302.0

4.7 Comparison between Basic Salary and Representative State Service Positions

4.7.1 The following table compares movements in the basic salary with representative State Service positions since July 2003.

Table 6 - Comparison Between Basic Salary and Representative State Service Positions

<i>Date</i>	<i>Basic salary</i>	<i>A & C level 12/TSSA Band 8 R1-2</i>	<i>Registered Nurse L1 year 8</i>	<i>Teacher B1 L12</i>	<i>Police Commander Level 1</i>
1/07/2003	84 168	71 561	45 810	57 095	78 220*
1/07/2008	108 242	85 813	59 950	71 133	107 352
1/07/2013	118 466	102 976	71 851	85 868	140 220
As at March 2014	118 466	105 036	73 288	87 586	143 024
% change since 1 July 2003	40.7%	46.8%	60%	53.4%	82.8%
% change since 1 July 2008	9.4%	22.4%	22.2%	23.1%	33.2%

* Superintendent Level 1

4.7.2 It is clear from this table that the level of increases for the basic salary has lagged significantly behind the representative State Service positions over the five and ten year periods. The disparity is particularly evident since July 2008, where the cumulative increase is less than half that which has applied to the State Service positions. In addition many, perhaps most, State Service roles enjoy some capacity for incremental (usually annual) adjustments as employees progress within the bands or levels. This incremental adjustment is not reflected in the above analysis. It must be said, however, that the opportunity for incremental adjustment lessens the more senior the role.

4.7.3 The **then State Government** submission included the following table which "*shows how this (the basic salary) relates to some other salaries that apply to offices within the State Service.*" The submission did not however ask the tribunal to draw any particular conclusions from the table.

<i>Classification</i>	<i>Typical Role</i>	<i>Annual salary as at 1 November 2013</i>
General Stream, Tasmanian State Service Award, Band 8 (base)	The Manager of a work unit in an agency	\$102 976 pa
Member of Parliament		\$118 466 pa
Senior Executive Service Level 1 (base)	The Manager of a Branch or small Division	\$118 939 pa
General Stream, Tasmanian State Service Award Band 9 (base)		\$121 319 pa
Senior Executive Service Level 3 (base)		\$169 326 pa
Senior Executive Service Level 4 (base)		\$203 895 pa

4.8 *Analysis of Demographics, Budget Outlays; Australian Parliaments*

4.8.1 In the Issues Paper we raised the question of whether matters such as the number of electors in the electorate and shared budget responsibility, are relevant for the purposes of salary determination.

4.8.2 The following table compares population demographics and budget responsibility for each of the Australian Parliaments. We have excluded Upper Houses where they exist as generally they are proportionate in size to the respective Lower House, and the legislative 'House of Review' function is different in nature to the role of members in the Lower House where Governments are formed. The table reduces these raw numbers to a composite index, with the objective of providing a meaningful comparison of one Parliament with another.

Table 6 - Analysis of Demographics, Budget Outlays, Australian Parliaments

<i>Parliament</i>	<i>No of members (1)</i>	<i>Population Mill.</i>	<i>Population/member</i>	<i>Total budget expenditure \$B</i>	<i>Budget Expenditure/Member \$m</i>	<i>Index (2)</i>
Victoria	80	5.713	71 400	56.7	708	50.55
NSW	93	7.381	79 365	59.8	643	51.03
Queensland	89	4.638	52 113	46.5	522	27.2
South Australia	47	1.667	35 468	16.5	351	12.4
West Australia	59	2.497	42 322	25.2	536	22.7
Tasmania	25	0.523	20 520	4.9	196	4.02
Northern Territory	25	0.238	9520	4.8	192	1.8
ACT	17	0.382	22 471	4.4	258	5.79
Commonwealth	150	23.280	155 200	383	2553	396.2

Notes:

- 1) Lower House or Assembly in unicameral Parliaments
- 2) Index formula: Population/member x Budget Expenditure/member divided by 1000 000

Source:

ABS Demographics
State and Commonwealth Budget Papers

- 4.8.3 The response to the Issues Paper on this issue was limited and inconclusive.
- 4.8.4 Our own view is that these factors cannot be ignored. Whilst at the core all MPs are legislators and have electoral responsibilities which appear similar in nature, the 'size' of the role must be a consideration. Whilst there are many facets to the role of an MP, the number of electors and the size of the relevant budget are the factors most readily comparable.
- 4.8.5 This approach has been adopted, apparently with broad approval, in Tasmanian Local Government. Whilst elected councillors essentially perform the same role, municipalities are categorised by a formula based on the number of voters and total council revenue. The actual allowances paid to the elected members are structured accordingly.
- 4.8.6 The relationship is certainly not linear. That is, double the budget does not equate with double the salary, but in our view, above a common base, the 'size' of a role is a consideration.

4.8.7 On this basis the Parliament which most closely compares with Tasmania is that of the ACT. Tasmanian MPs would have a broader legislative responsibility, but this arguably is balanced by the local government responsibility which attaches to ACT MPs.

4.8.8 We emphasise, however, that this is based on limited criteria and is indicative rather than definitive in nature.

4.9 *Activity Indicators*

4.9.1 A number of submissions received suggested that there should be a link between salary quantum and productivity measures.

4.9.2 One submission suggested the base salary should be aligned to the 'average weekly wage' with bonuses payable on the achievement of stated goals relating to numerous indicators of social and economic development.

4.9.3 The **HACSU** submitted that sitting days had declined in the Tasmanian Parliament relative to parliamentary sitting days in the other States. HACSU stated that *"In recognition of the requirement for workers to increase productivity, sitting days should be extended by six days per year."*

4.9.4 Another submission urged that MPs *"should establish some measures to improve their productivity instead of bleating about increased pay and conditions."*

4.9.5 The **ANMF** submission stated:

"The lower number of sitting days i.e. average of 55 for Lower House 43 for Upper House (inclusive of budget estimates hearings) is a significant factor relating to productivity and a work value comparison as the remaining 300 days are in electorate roles.

Comparability of sitting days in Tasmania is significant and increasing sitting days would indicate an improvement in productivity, which is being requested by all public sector employees."

4.9.6 The following table compares sitting days for Australian and New Zealand Parliaments between 2008 and 2013:

Table 7 - Comparison of Sitting days, Australian and New Zealand Parliaments**Lower House**

<i>Date</i>	<i>Tas</i>	<i>Comm</i>	<i>NSW</i>	<i>Qld</i>	<i>Vic</i>	<i>SA</i>	<i>WA</i>	<i>ACT</i>	<i>NT</i>	<i>Av. State and Territory Parliaments</i>	<i>NZ</i>
2008	54	69	62	43	49	48	38	31	31	44.5	N/A
2009	60	68	59	40	48	48	56	47	32	48.8	64
2010	45	55	65	43	43	32	57	42	33	45.0	77
2011	54	64	60	43	51	48	63	43	30	49.0	83
2012	51	63	63	37	52	50	54	25	33	45.6	69
2013*	30	33	30	22	27	27	22	25	31	26.8	91
Av per year	49	58.7	56.5	38	45	42.2	48.3	35.5	31.7	43.3	76.8

Upper House

<i>Date</i>	<i>Tas</i>	<i>Comm</i>	<i>NSW</i>	<i>Qld</i>	<i>Vic</i>	<i>SA</i>	<i>WA</i>	<i>ACT</i>	<i>NT</i>	<i>Av. State and Territory Parliaments</i>	<i>NZ</i>
2008	45	Not available	48	** N/A	52	50	45	** N/A	** N/A	48.0	N/A
2009	49		51		48	49	61			51.6	
2010	31		51		45	32	60			43.8	
2011	52		60		51	51	63			55.4	
2012	50		63		52	51	58			54.8	
2013*	22		36		27	27	16			25.6	
Av. Per year	41.5		51.5		45.8	43.3	50.5			46.5	

*Part year

**Not applicable, unicameral system

Source: Building a new remuneration structure for Members of the Queensland Parliament. Queensland Remuneration Tribunal Determination 1/2013 15 October 2013

4.9.7 It would appear that sitting days in the House of Assembly has consistently exceeded the average of the other State and Territory Parliaments over the period. (49 days compared with an average of all parliaments of 43.3 per annum.) In the Legislative Council, sitting days on average (41.5 days) has generally been below the national average (46.5 days).

4.9.8 Consistent with the thrust of this report, apart from showing the raw numbers, we have excluded the Commonwealth Parliament from comparative analyses.

4.9.9 In terms of the average length of sitting days, in 2012 the average length of a sitting day in the House of Assembly was 8.3 hours compared with the national average of 8.67 hours.

4.9.10 In the case of the Legislative Council, the average sitting day was significantly lower; 4.24 days compared with the national average of State bi-cameral Parliaments of 6.18 days.

4.9.11 The following table shows the number of 'Bills read a Third Time' (passed) over recent years.

Table 8 – Bills Read a Third time: Tasmanian Parliament

<i>Year</i>	<i>House of Assembly</i>	<i>Legislative Council</i>
2009	83	Not available
2010	50	62
2011	63	61
2012	57	69
2013	58	52
Average per year	62.2	61

Source:

Clerks of the Legislative Council and House of Assembly

4.9.12 The table shows a relatively consistent pattern of legislative activity. As a point of comparison, the Victorian Parliament has on average enacted approximately 83 Bills over recent years.³

4.9.13 The use of 'sitting days' as a measure of productivity for MPs is in our view problematic.

4.9.14 Firstly, the data does not generally include Committee work. An example was given during submissions that the Legislative Council Committee inquiring into the

³ *Independent Review of Victorian MPs' Salary Entitlements, Allowances and Other Arrangements*, [attachment 2], Malcolm Hazell 5 February 2013

Tasmanian Forests Agreement Bill 2012 alone occupied 12 sitting days, considered 136 submissions and examined 50 witnesses.

4.9.15 Secondly, there is an implied assumption in the proposition that the legislative role of the MP is of greater value than the electorate representation role. There is no evidence to support this notion. A parliament that sat on every working day of the year (and presumably did nothing else) could be equally as unproductive as a parliament that did not sit at all. Where the appropriate balance lies is beyond the scope of this report.

4.9.16 We conclude that based on the available data, the activity level of the Tasmanian Parliament is broadly consistent with other State and Territory parliaments.

4.10 Submissions Received

4.10.1 This section summarises the nature of submissions received in relation to the basic salary.

4.10.2 The **then State Government** observed:

"The Government considers that Members of Parliament should be appropriately remunerated in recognition of the value of their service to the community which involves a demanding level of work, involving parliamentary processes, community activity and disruption to private life.

The level of basic salary for a Member should reflect the work of a contemporary parliamentarian, and the knowledge, skill, expertise and professionalism required to function well in such a role. It needs to recognize the demands of office and that the role is full time, active public service.

The level of remuneration should recognize that being a Member of Parliament is a full time occupation, and that members are unlikely to be able to continue in their former occupations in conjunction with their service as a parliamentarian."

4.10.3 The submission stated that the basis salary in Tasmania was the lowest paid in any jurisdiction, *"despite the functions of those members being essentially the same."* Further, the submission noted that the differential with other jurisdictions is significantly worse than that which applies generally to Tasmanian wages.

4.10.4 Notwithstanding, the submission did not favour the adoption of a nexus with national or interstate salary levels, observing:

"Anecdotally, the current community sentiment in Tasmania is that Members of parliament are already adequately (if not more than adequately) rewarded for the work they do."

4.10.5 The submission concluded that the salary should be adjusted in line with the State Government Wages Policy (2%) effective from 1 July 2014.

4.10.6 The **Greens** submitted that the rationale for a salary determination needs to be transparent and in keeping with community expectations.

“Elected representatives are in the service of the public, and are funded by the taxpayer. In this regard there is a coherent logic to refer to the State public sector for an analogous basic salary rate.

That rationale has already been acted upon by the State Parliament in 2012, by passing the Act which set the current basic salary at 95.734 per cent of level 1 of band 9 of the general stream of the Tasmanian State Service Award, and the Greens do not believe there has been any workable alternative put forward to justify changing the current basic salary.”

4.10.7 The **then Opposition** (now Government) declined to make a submission, stating:⁴

“Whilst we appreciate the invitation, we have consistently stated it is our view that it is not desirable for politicians to be involved in setting their own salaries.

We extend that arm’s length approach to the processes being undertaken by the Tribunal, and to ensure that independence, will therefore not be making a submission.”

4.10.8 The **HACSU** noted the strict adherence by the Government to their wages policy, the lack of recognition of genuine productivities achieved by public sector workers, and the enforced policy of non-replacement of workers resulting in a decrease over the past few years of 2300 FTE workers.

4.10.9 The HACSU does not believe that these policies have best served the general public, stating:

“For many years state sector workers have demonstrated both wages restraint and a commitment to continuing to perform despite a contracting workforce and increasing workloads. For them to witness a wage rise for parliamentarians that outstrip theirs would be nothing less than offensive.”

4.10.10 The HACSU submitted that any increase to MP’s salaries should not exceed the average % increase awarded to State Sector employees in the Public Sector Unions Wages Agreement (PSUWA) 2014.

4.10.11 **The Community and Public Sector Union (CPSU)** similarly noted the rigid application of the Government Wages Policy to all agreements negotiated in the public sector which has capped annual salary increases at 2%. The submission contends that this cap was based on a budget crisis, rather than a merit consideration.

⁴ Letter from Hon Will Hodgman MP, Liberal Leader, 4 November 2013

4.10.12 The CPSU submitted that the current basic salary is "*fair and reasonable.*" and that any future adjustments should be linked to the rate paid to a designated classification in the Tasmanian State Service Award. (See discussion under *A Mechanism for Future Adjustment - section 4.15*).

4.10.13 The **ANMF** submitted that it is vital to set the basic salary correctly and urged that a full work value be undertaken, the relativity reviewed and the rolling in of many previous entitlements considered. Whilst in principle the ANMF supported a nexus with the other States, it must be a comparison of "*apples with apples*" The submission stated:

"Current Tasmanian Parliamentary salaries could not be compared due to the myriad of unaudited additional allowances, less sitting days, smaller electorates and additional superannuation benefits and over and above benefits to public sector workers."

4.10.14 ANMF further contended that the current Tasmanian Wages Policy "*must be persuasive and parliamentarians cannot be excluded from austerity measures.*"

4.10.15 A number of submissions suggested that the existing salary level was a serious impediment to well-credentialed potential candidates standing for election.

4.10.16 One submission drew a comparison with a mid-ranking State Service position which, it was argued enjoyed a significantly higher salary but far less onerous demands on personal time than that of an MP.

4.10.17 A number of submissions suggested the basic salary be based on the "*average weekly wage*" with one submission proposing a system of bonuses based on the achievement of various social or economic benchmarks. Another submission suggested this average be calculated to include "*all people with a declared income.*"

4.10.18 **Graeme Lindsay** promoted a 'back to basics' approach with an emphasis on the need to clarify the legal status of members (are they employees or contractors?) and accurately define the primary functions, roles, duties and responsibilities of MPs.

4.10.19 **Malcolm Mars** submitted that salaries "*should be frozen until members make themselves more accountable to the public they purport to represent.*" He urged adoption of the Code of Conduct as recommended by the Tasmanian Integrity Commission.

4.10.20 Retired MLC and former President of the Legislative Council **Sue Smith** made a submission covering a range of issues. Whilst declining to put a figure on the basic salary, Ms Smith observed:

"Thinking people in Tasmania will acknowledge that if we are to attract the best and brightest to assist in decision making, it is important that salaries stay relevant or other career options with better options in salary and lifestyle will capture the very people we need to be attracting."

4.10.21 **Eric Boglio** contended that Tasmanian (and Australian) Parliamentary salary levels are significantly overstated when compared with other industrialised

countries where the requirements and expectations of MPs would be similar to those in Australia.

4.11 Projected Salaries for Australian Parliaments, July 2014

4.11.1 In this section we have attempted to project salaries likely to be in place as at 1 July 2014. This projection is based on the following:

- **Commonwealth:** A twelve month salary freeze has been imposed and hence no change will result on 1 July 2014
- **NSW:** Based on the statutory linkage with Government wage policy, we anticipate an increase of 2.5% from 1 July 2014
- **Victoria:** The relevant legislation provides for a 2.5% increase from 1 July 2014
- **South Australia:** Based on the linkage with the Commonwealth there will be no change on 1 July 2014
- **Queensland:** To be reviewed later in 2014 but will not change prior to 1 July 2014
- **Western Australia:** The Salaries and Allowances Tribunal is currently undertaking an inquiry into the remuneration of MPs. Given the preliminary comments of the Tribunal on 9 August 2013 (see *Salary Determination for Australian Parliaments*) it would be inappropriate for this Tribunal to speculate on the outcome of this review
- **Northern Territory:** Consistent with the relevant legislation which links salary movements to public sector wage outcomes, the basic salary was increased by 3% operative from 10 October 2013
- **ACT:** In a determination issued in April 2014, the ACT granted a 6% increase effective from 1 July 2014, and foreshadowed a similar increase in 2015.

4.11.2 From the above, the following picture emerges as a likely position to apply on 1 July 2014. Where the outcome is unknown or uncertain, we believe we have erred on the conservative side. However in establishing an appropriate base, it is necessary to consider the latest available data.

Table 9 - Projected Basic Salaries as at 1 July 2014

<i>Parliament</i>	<i>Projected or Known Salary</i>
Commonwealth	195 130
NSW	149 907
Victoria	144 497
South Australia	153 130
Western Australia	Unknown
Queensland	148 848
Northern Territory	143 122
ACT	132 775

4.12 The Notion of a Nexus or Linkage

4.12.1 In this section we discuss various options for a nexus or linkage. There are two aspects to this consideration. Firstly, is it appropriate to use an external formal linkage in the establishment of the basic rate, and secondly, whether a formal linkage should be used in the ongoing maintenance of the basic rate, once established?

Commonwealth Parliament

4.12.2 Between the 1997 Report and 2012 Act the basic salary in Tasmania was formally linked to the basic salary in the Commonwealth Parliament (85.19%). The 2012 Act broke this linkage.

4.12.3 The Commonwealth Report 2011, in granting, *inter alia*, a 31.3% salary increase, observed:

"The Tribunal recommends that any existing linkages between the remuneration of state and territory parliamentarians and assembly members and the base salary of federal parliamentarians be severed on the basis that it cannot be justified without a state or territory based work-value assessment similar to that conducted for federal parliamentarians."

4.12.4 Unlike the 1997 review, no individual or organisation contended that a formal linkage with the Commonwealth be re-established.

4.12.5 We also note that this issue was canvassed in the *Queensland Determination 1/2013* in which the Tribunal concluded that:⁵

"For various reasons that relate to difference in roles, the Tribunal concurs with the assessment of Egan Associates and believes that State comparisons are more valid than a comparison with the Commonwealth."

⁵ P 58

4.12.6 We agree and conclude that there is no basis for a formal linkage with the Commonwealth basic rate.

State and Territory Parliaments

4.12.7 The basic salary applicable in the various State and Territory Parliaments has always been a significant consideration in the determination of the Tasmanian salary. Indeed, the 1973 Act fixed the Tasmanian salary by reference to the average of salaries paid in NSW, Victoria, Queensland, Western Australia and South Australia. In 1983 NSW and Victoria were removed from the averaging equation.

4.12.8 The relevance of State Parliaments was also to the forefront of consideration in the 1997 review, albeit coupled with localised considerations through the differential in average weekly earnings between Tasmania and the national position.

4.12.9 We agree that the basic salary applicable in the State and Territory Parliaments remains a significant consideration in the determination of the Tasmanian salary. However we do not favour the establishment and/or maintenance of a formal arithmetic linkage. There is no logical reason why Tasmania should be the average of (or bear any other arithmetic relationship with) the other jurisdictions, however defined.

4.12.10 The other major issue is that it is a moveable feast. Since we commenced our consideration there have been major independent reviews in Queensland and the ACT and the WA review is underway.

4.12.11 In our view the salaries applicable in the State and Territory Parliaments are an important component in *the mix* of a range of considerations to be taken into account.

The State Service

4.12.12 The **CPSU** submitted that the basic salary should be set and maintained at 202% of Band 3 Range 1 level 5 of the *Tasmanian State Service Award*.

4.12.13 **The Greens** proposed that the basic salary be set at 95.734% of Level 1, Range 1 of band 9 of the General Stream of the *Tasmanian State Service Award*.

4.12.14 It follows under both the **CPSU** and Greens proposals, that future adjustments be linked to movements in the award classification.

4.12.15 The **then State Government** submitted that the existing salary be increased in line with State Wages Policy and thereafter adjusted to maintain relativity with the salary movements that are applicable to the general public sector in Tasmania. It was contended that such an approach would:

- Be automatic, and would not require direction intervention by MPs
- Be transparent, and easy to understand and administer

- Be cost effective, in that it would not require a large resource investment, such as the establishment of a remuneration tribunal or extensive independent analysis.
- 4.12.16 The **HACSU**, by inference, supported a salary adjustment in line with the State Service but was silent on a future adjustment mechanism.
- 4.12.17 There was limited (and qualified) support for some form of linkage with the State Service from a number of individual submissions.
- 4.12.18 The position of MPs (past and present) was almost universally opposed to any formal linkage with the State Service.
- 4.12.19 We accept the positions advanced in a number of submissions that the role of an MP is quite different to any level of the State Service. We respect the view of those proposing a direct linkage to a particular State Service classification. However in reality, these proposals do no more than accept that the existing salary level is correct and preserve the existing arithmetic relationship (**Greens** 95.734%, **CPSU** 202%). It does not amount to a considered finding as to comparability between an MP and a nominated State Service position in terms of role, responsibility and work value. It may well be a convenient approach, but it lacks the rigor deserving of a review charged with establishing a base which will be sustainable into the future.
- 4.12.20 We do not favour any formal link with a State Service classification for the purpose of establishing the basic salary.
- 4.12.21 That said, the level of salaries and wages paid in the wider State Service is part of the overall consideration in determining the basic salary.
- 4.12.22 There is considerably greater force in the argument that a future adjustment mechanism be linked to movements in the State Service. It is essentially the position that applies in NSW and the Northern Territory, but not in any other jurisdiction.
- 4.12.23 The obvious advantage is that it ensures salary movements for MPs are in line with the public sector generally, thus largely removing scope for public discontent.
- 4.12.24 A disadvantage is that the Government, as party to State Service wage negotiations, might be perceived as indirectly determining, or at least significantly influencing, their own salary outcomes. In reality, the checks and balances within the system means that it would be extremely unlikely that this bargaining position would be used improperly or mischievously (eg to achieve a favourable outcome for MPs would mean the same outcome extending to at least 13000 State Servants⁶, with the obvious budgetary implications). Nonetheless, from the point of view of public perception, it is a consideration which should not be ignored.

⁶ CPSU Submission p3

4.12.25 In the context of the above discussion we note the observations of the ACT Remuneration Tribunal, with which we broadly agree.⁷

“Section 4 of the Tribunal’s report outlines the difficulty of equating work value of a Member with other Politicians around Australia and with the ACTPS. In particular, the Tribunal is at pains to ensure that there is no direct linkage with the ACTPS as it would be an inappropriate linkage. A deliberate decision has therefore been made to ensure that there is no direct linkage or ongoing ‘tie’ with any other jurisdictional politician or public servant.”

4.12.26 A further disadvantage relates to difficulties with linkages generally. A linkage may be suitable at a given point in time, but takes no account of changed circumstances in the future. For example, the growth of enterprise bargaining and the attendant demise of award based salary increases appear to have resulted in an unintended wage freeze for MPs between 1991 and 1993. Other unforeseen changes might include a work value change or new classification structure for State Servants of no relevance to MPs.

4.12.27 There is one further aspect that persuades us not to adopt a formal linkage with the State Service.

4.12.28 State employment is a relatively small component (approx. 13%) of the total Tasmanian workforce. In our view, if there is to be a linkage with external wage movements as part of a mechanism for future adjustment, then that link should be with an appropriate index applicable to the wider community, which includes, but is not limited to, the State Sector. This aspect is discussed in the next section.

4.13 *Linking the Salary to a relevant ABS Wage/Earnings index*

4.13.1 It is possible to link the basic salary, once established, to changes in a relevant ABS index. A number of options are discussed below.

Average Weekly Earnings (AWE)

4.13.2 The AWE survey is designed to measure the level of average earnings at a point in time. AWE statistics represent average gross earnings of employees and do not relate to average award rates or to the earnings of the ‘average person.’ AWE estimates are derived by dividing estimates of weekly total earnings by estimates of the number of employees. Changes in the averages may be affected not only by changes in the level of earnings of employees but also by changes in the overall composition of the wage and salary earner segment of the workforce.

4.13.3 There are several factors which can contribute to compositional changes, including variations over time in the proportion of full-time, part-time, casual and junior employees; variations in occupational distribution, and variations in the distribution of employment between industries. Such effects may apply differently within different states and territories, and over time. There are three indices in this series:

⁷ *Final Report on the Review of Entitlements for Members of ACT Legislative Assembly*, April 2014

- Earnings, Persons, Full-Time, Total Earnings
- Earnings, Persons, Full-Time, Ordinary Time Earnings (this excludes overtime)
- Earnings, Persons, Total Earnings (this includes, part-time, casual and junior employees).

Wage Price Index (WPI)

4.13.4 The WPI is a price index designed to measure the change over time in the price of wages and salaries. It does this by pricing specific jobs, in terms of wage and salary payments, to employees occupying those jobs. It is unaffected by changes in the quality and quantity of labour services purchased by employers, changes in hours worked or changes in the composition of the employee workforce.

4.13.5 The WPI is a better measure of changes in wage and salary movements for specific jobs, as distinct from changes in average earnings. For example, an apprentice moving to a tradesperson role might impact on AWE, but not the WPI, which measures the rate (price) for apprentices and tradespersons as separate entities.

4.13.6 The WPI is favoured by the Fair Work Commission in considering National Wage matters.

4.13.7 In Victoria, AWOTE has been adopted in the relevant legislation for the determination of the basic salary on 1 July 2015.

4.13.8 In commenting on the Victorian position, **Michael Toby** noted that this *“neatly achieved two objectives, it provided a reasonable formula for movements linked to the economy of the State and it obviated the need for Parliament to consider future adjustments to the salary.”*

Periodic Reviews

4.13.9 As an alternative to a formal linking mechanism, the basic salary could be subject to periodic reviews by an independent tribunal. Under such a mechanism the considerations referred to in this Report might all be ‘in the mix’ with none being binding in absolute terms. That said, once the basic salary starting point is established, such reviews (assuming they were on an annual basis), would be of a more limited nature and would likely be finalised in a timely manner. It is an arrangement that appears to work well in Western Australia.

4.13.10 An alternative to annual reviews might be to establish a formal linkage with an external measure for the two years following the initial determination, with a wider ranging review say every three years.

4.13.11 The major advantage of periodic reviews (whether annual or less frequently) is that circumstances which were not anticipated can be taken into account and unintended consequences avoided.

4.14 Conclusion: Level of the Basic Salary

4.14.1 In the Issues Paper we outlined a number of broad principles adopted by independent tribunals as to the approach in determining salaries and entitlements for MPs. These principles were broadly supported by those individuals and organisations that chose to comment. In our view the correct approach is succinctly captured by the following observations in the *Commonwealth Report 2011*:

- Parliamentary remuneration should be sufficient to allow representation from various members of society with a diverse range of skills, including those in the middle of their careers and those with responsibility for supporting others
- Parliamentary remuneration should be sufficient so that the highest standards of integrity are maintained; it should not, however, be so high that the remuneration itself becomes the overriding attraction with no regard to the concept of public service.

4.14.2 Our approach to this question is driven by two overriding objectives:

1. There must be a sustainable mechanism for future adjustment of MP's salaries which brings to an end, once and for all, public criticism that MP's remuneration is out of line with community expectations.
2. To achieve this objective, the base must be set at the appropriate level. To do otherwise is to perpetuate an inequity and unfairness, which is contrary to the public interest.

4.14.3 A quick glance at changes in the basic salary since 1973 reveals a pattern of boom and bust. There have been salary increases of 40% (twice), 30%, 23%, 21%, 14.4% and 10.1% interspersed with periods of extended wage freezes and, in 1986, a 3% salary reduction. Whilst the pattern has been less volatile in recent years, but for the breaking of the Commonwealth nexus in 2012, an increase of approximately 38% would have resulted.

4.14.4 Since 1973 at least eight different methodologies have been adopted and subsequently discarded. Against this background it would not be surprising if the general public were confused, or even cynical as to MP's remuneration. This pattern of volatility and uncertainty must end.

4.14.5 As a first step, we observe that there was universal support from those who made submissions for the notion that MPs should not in any way be seen to be setting their own salaries.

4.14.6 From the material before us, we have reached the conclusion that the role of an MP in the Tasmanian Parliament is broadly similar to that of the other State and Territory Parliaments, but less similar to the Commonwealth. We have also concluded that the core role and function of an MP is essentially the same now as it was at the time of 1997 Review. The one major change has resulted from the increased level of scrutiny as a consequence of the 24/7 media cycle and the advent of technology, including social media.

4.14.7 Given these broad conclusions, how should the role of an MP be viewed in the Tasmanian context?

4.14.8 From the preceding analysis, the following picture emerges:

- Since the 1997 review, the Tasmanian basic salary has lost significant relativity against the other State and Territory Parliaments, going from a position of 11.3% to 20.8% below the average. In the same period, the average increase for State and Territory parliaments is 88.2% (Tasmania 73.3%), less than the change in AWE over the period of 113.7%
- AWE in Tasmania have also lost relativity with the national position over the period (from 6.7% to 13.0% below the national position), but to a lesser extent than the basic salary
- The basic salary has increased at a significantly lesser rate than for State Service positions over the past five and ten year periods. The comparison is particularly stark over the past five years, where the rate of increase for State Servants has been more than double that of an MP (more than three times in the case of a Police Commander). In addition, many State Servants enjoy incremental adjustments within the band and in some cases enhanced career classification structures. This does not apply to MPs
- Over the past five years the increase in the basic rate (9.4%) has been less than the CPI (11.1%) whereas the wider workforce has enjoyed real wage increases of close to twice the rate of inflation.

4.14.9 We have not undertaken a detailed work value comparison with the various State Service and external positions we were asked to consider. These positions include the Senior Executive Service (SES), Police Commander, School Principal, Council Mayor and General Manager etc). However from a desk top review, the role of an MP would if anything appear to be undervalued by comparison.

4.14.10 The Terms of Reference require the Tribunal to take account of the Government's Wages Policy, which we have done. The Government wages policy is instructive to the extent that it appears to have been strictly applied, and State Service bargaining outcomes reflect the constraints of this policy. In the circumstances, had the basic salary been established at an appropriate level, we would have determined a salary adjustment broadly in line with this policy. However we are not satisfied that the basic salary is currently set at an appropriate base upon which a future adjustment mechanism could be applied on a sustainable and equitable basis.

4.14.11 A number of submissions stated that the existing basic salary was a significant barrier to candidates standing for election. It would not, however, be possible or appropriate to set the salary at a level which would be attractive (in financial terms alone) to the upper echelons of business and commerce, public sector management or the professions.

4.14.12 Elsewhere in this Report we have determined that MPs should no longer be paid sitting fees for committee work. We have not rolled a specific figure into the basic salary in compensation. However it must be recognised that for those members who participate in Committee work (and this seems to be most, other than Ministers), this decision will represent a loss of income.

4.14.13 For reasons we have discussed in this Report we have declined to align the basic salary for Tasmania with any external salary point or index. Rather, we have identified the numerous factors we have taken into account in reaching our conclusion. We note that this approach is consistent with recent reviews in Queensland and the ACT.

4.14.14 We have determined that the basic salary for a Tasmanian MP is to be \$128 000 pa phased in over 6 months in two instalments. We note that this will remain the lowest basic salary of any Australian Parliament, being \$4775 pa less than the ACT, which is the next lowest, with a further 6% adjustment foreshadowed from 1 July 2015.

4.15 Mechanism for Future Adjustment

4.15.1 Having established the basic salary at an equitable level, we now turn to the matter of a mechanism for future adjustment.

4.15.2 In 4.13 above we have discussed the various options for a linkage with an external salary point or index. For reasons already advanced, we favour a link with the WPI. This tends to increase at a lesser rate than AWE, and by way of indication, has increased by an average of 2.7% over the past two years.

4.15.3 We propose that the basic salary be linked to the WPI for the two years succeeding this review.

4.15.4 In the third year, the basic salary and allowances would be subject to a review by an independent tribunal. We would envisage that this review would be more constrained than that currently before this Tribunal, which is the first for sixteen years. We anticipate that the review would be limited to a consideration of factors that may have occurred in the interim which might justify a modification (upwards or downwards) of the indexation mechanism we have put in place.

4.15.5 As to the nature of the independent tribunal, we note that on each occasion since 1997 that the State Government has moved to appoint a tribunal to review aspects of Parliamentary or Local Government salaries and/or allowances, the tribunal has consisted exclusively of members of the Tasmanian Industrial Commission. It would therefore seem sensible to amend the legislation to provide that the three year review be undertaken by a Full Bench of the Tasmanian Industrial Commission. This would provide certainty, administrative efficiency, and flexibility in the event that one or more members of the Full Bench became unavailable during the currency of the review. We recommend accordingly.

Findings and Recommendation; Basic Salary

1. That the basic salary be increased to \$128 000 by way of an increase on 1 July 2014 to \$124 000 pa; and a further increase on 1 January 2015 to \$128 000 pa.
2. That from 1 July 2015 and 1 July 2016, the basic salary be adjusted by the change in Wage Price Index, Ordinary Time Hourly Rates of Pay Excluding Bonuses; Tasmania, Private and Public; All Industries (ABS catalogue 6345.0) for the twelve months preceding March 2015 and 2016 respectively.
3. That during 2016/17 the basic salary and allowances be subject to review by an independent tribunal, with a view that any change would take effect from 1 July 2017.
4. Recommendation:
Consistent with the practice since 1997 the relevant legislation be amended to specify that the independent tribunal referred to in 3 above be a Full Bench of the Tasmanian Industrial Commission.

5 Allowances, Entitlements and Benefits (Entitlements)

5.1 Background

5.1.1 The Terms of Reference require the tribunal to determine "*whether the entitlements of, and benefits provided to members of the Tasmanian Parliament (other than the basic salary, additional salary, or superannuation), provided for in Schedule 2 of the Parliamentary Salaries, Superannuation and Allowances Act 2012 remain appropriate to the contemporary needs of such members.*"

5.1.2 This embraces the following allowances and benefits:

- Motor Vehicle Allowance
- Electorate Allowance
- Committee Sitting Fees
- Telecommunications Allowance
- Entertainment Allowance
- Away from Home Traveling Allowance
- Bass Strait Islands Travelling Allowance
- Taxi Allowance.

5.1.3 These entitlements were last reviewed by the *Second Committee of Review Inquiring Into Allowances and Benefits provided to Members of the Tasmanian Parliament*, dated 21 August 2006. (the 2006 Report).

5.1.4 The 2006 Report recommended a substantial restructure of the then existing regime of entitlements. In summary, this report provided for:

- Provision of a fully maintained private plated vehicle or payment of an allowance in lieu.
- Abolition of a number of entitlements including Kilometrage Allowance, Intrastate Air Travel Allowance, Intrastate Licensed Coach Service Travelling Allowance, Bruny Island Traveling Allowance, Taxi Allowance (other than to relieve a Ministerial driver) and the Continuing Professional Development Allowance.
- Modification to the Telecommunications and Away From Home Travelling Allowances to reflect contemporary standards.
- A substantial upward adjustment to the Electorate Allowance.
- An adjustment mechanism which linked the monetary benefits to changes in the basic salary.

- 5.1.5 The overall thrust of the Report sought to reflect contemporary standards, gain significant administrative efficiencies and remove artificial and distortionary outcomes.
- 5.1.6 The recommendations of the 2006 Report were accepted by the Parliament and are now reflected in the relevant legislation.
- 5.1.7 From the submission received, it would seem that the 2006 restructure has been well received and in large measure remains appropriate. We were advised that in particular, administrative efficiency has been significantly enhanced.
- 5.1.8 In some cases the adjustment mechanism for the allowance has been linked to the basic salary. Given the changes we propose for the basic salary, this is no longer appropriate and we have substituted the CPI, Hobart, All Groups, in its place.

5.2 Motor Vehicle Allowance

- 5.2.1 The following prescription applies:

"Each MP is paid a Vehicle Allowance of \$15005 pa.

Members may elect, in lieu of the Allowance, to be provided with a fully maintained, private plated vehicle for parliamentary, electorate and private use, but not for commercial purposes. The standard of vehicle is that which is generally available to State Servants at SES Level 1. Members are responsible for the running costs of the vehicle when used outside Tasmania."

- 5.2.2 Based on the information before the Tribunal this arrangement continues to work well with most MPs choosing the vehicle rather than the allowance. We do not propose any change other than linking the allowance to CPI rather than the basic salary. This will mean an adjustment to the allowance of 2.76% from 1 July 2014.

Finding: Motor Vehicle Allowance

- 1. Each Member is entitled to a Vehicle Allowance of \$15 419 pa. This allowance shall be adjusted on 1 July each year to reflect the change in the CPI, Hobart, All Groups between the March quarter in that year and the March quarter in the preceding year.**
- 2. Members may elect, in lieu of the allowance, to be provided with a fully maintained, private plated vehicle for parliamentary, electorate and private use, but not for commercial purposes. The standard of vehicle is that which is generally available to State Servants at SES Level 1. Members are responsible for the running costs of the vehicle when used outside Tasmania.**

5.3 Telecommunications Allowance

5.3.1 The 2012 Act provides that there is payable to each member a Telecommunications Allowance as follows:

“(2) The Allowance is to be paid by way of reimbursement of –

(a) service and equipment charges for one telephone service installed in the member of Parliament’s home, and 80% of all call charges applicable to that fixed line; and

(b) 80% of all charges for a mobile telephone –

except as outlined in subclause (3).

(3) The Allowance in respect of a mobile telephone for the holder of the offices of the President of the Legislative Council, Speaker of the House of Assembly, Leader of the Opposition and Leader of a recognised non-government party, is to be unlimited.”

5.3.2 We were informed that in addition to the allowance, each member has access to a Members’ Resource Allowance of \$7500 pa. This allowance is provided by the Government through a budget allocation. It is not found in the 2012 Act and is beyond the scope of this Report. The allowance is used for the purpose of purchasing hardware items, such as a smart phone, tablet (iPad), laptop computer and docking station. The allowance is also used to fund the data component of these devices.

5.3.3 The Resources Allowance is not paid directly to the member but is administered on a ‘draw down’ basis. If the allowance is not fully expended in any year, the unspent balance reverts to consolidated revenue. From the information available to the Tribunal, the Resources Allowance is adequate for the purpose it is intended for.

5.3.4 Mobile phones are administered on the basis of a ‘whole of parliament’ contract. Members are sent an account, on a regular basis, for 80% of the data and call charge applicable to that phone. There appears to be widespread satisfaction with this arrangement and we do not propose any change.

5.3.5 In relation to home landline services, the advent of ‘bundled’ accounts has made it very difficult to identify ‘service and equipment’ charges for a home telephone. We were advised that, largely because of this difficulty, less than half of members submitted a reimbursement claim for a home telephone service. There was widespread support for the replacement of existing arrangements with a standard monetary allowance.

5.3.6 Given the data support provided for mobile phone, tablet and laptop devices, it is difficult to envisage why an MP would require internet access via a home landline for other than private purposes. In any event we note that the 2006 Report found that ‘internet access fees’ are a component of the Electorate Allowance. It follows

that the only consideration relates to home telephone 'service and equipment and call' charges.

5.3.7 In our view an allowance of \$50 a month is appropriate to cover this aspect of an MP's telecommunications package.

5.3.8 We emphasise that telecommunications is a moveable feast and it is not difficult to envisage the day when fixed line home telephones will no longer be a reimbursable component of the total telecommunications package. Given the uncertain direction of future changes in telecommunications costs, we do not consider it necessary to incorporate an adjustment mechanism ahead of the proposed three yearly review.

Finding: Telecommunications Allowance

There shall be payable to each Member of Parliament a Telecommunications Allowance consisting of the following:

- 1. 80% of all charges for a mobile telephone**
- 2. \$50 per month for costs associated with a landline home telephone service (evidence that a home phone is installed is required).**
- 3. The allowance in respect of a mobile telephone for the holder of offices of the President of the Legislative Council, Speaker of the House of Assembly, Leader of the Opposition and Leader of a recognised non-government party, is to be unlimited.**

The above allowance is to take effect from 1 July 2014

5.4 Committee Sitting Fees

5.4.1 The 2012 Act provides for Committee sitting fees on the following basis:

"A member of a Standing Committee is paid a daily sitting fee for each day on which a member attends a summoned meeting of the Committee, according to the following scale:

- In the case of a Chair of a Committee, at the rate of 0.12% of the annual basic salary (currently \$142 per day)*
- In the case of any other member, at the rate of 0.10% of the annual basic salary (currently \$118 per day)."*

5.4.2 This matter was considered in the 2006 Report which observed:

"There are two schools of thought as to whether sitting fees continue to be appropriate.

It would appear that the historical basis for sitting fees was founded in the notion that the basic salary for Members of Parliament may

have been inadequate to attract persons with the requisite specialist knowledge to sit on the standing committees, and the sitting fee concept was a form of "encouragement" to enlist the services of individuals with desired attributes, particularly business acumen, to participate in the Committee work (see Prof. Townsley, 1970 Review).

On the other hand there are those who hold the view that all Committee work should be regarded as part of the usual duties of a Member of Parliament, and apart from travelling expenses, should not attract additional remuneration.

In principle the Committee is inclined to support this latter view. However such a change should only be made in the context of a review of the basic salary. As that matter is not before us, it would be unfair to do other than continue with the existing arrangements."

5.4.3 The Issues Paper invited comment on the adequacy or otherwise of this entitlement, and in particular, whether there is merit in incorporating this entitlement into the basic salary.

5.4.4 The majority of submissions addressing this issue supported the notion that Committee work was part and parcel of an MP's role and should not be separately recompensed. The **CPSU** stated:

"Sitting fees are normally paid to people who undertake roles on an honorary basis. As politicians are already being paid for their time it makes little sense to pay a sitting fee for doing what they are already paid to do."

5.4.5 The **ANMF** submitted:

"As part of the work value study sitting requirements should be factored in to the base salary and this fee should be abolished. It is expected that parliamentarians participate in committee work."

5.4.6 Another submission observed:

"The proposal to collapse the committee sitting fees into the basic salary strikes me as a device to raise the member's salary. Why should a member be paid an extra sum for attending on a parliamentary committee? It is part of the duties of a member to be invited or selected to a parliamentary committee. To demand payment for something that can hardly be deemed an 'extra' duty is beyond comprehension."

5.4.7 There was, however, some support for the continuation of the status quo. The **then State Government** submitted:

"The specific work required in preparing for committee work, such as background reading and research relevant to the issues, engagement with interested parties and analysing evidence and determining conclusions, may be considerable."

Chairs of committees have quite onerous roles in leading the work of the committee and its inquiries as well as involvement in and providing direction for any reports prepared on behalf of the committee.

*Given that the amount of time that individual Members invest in committee work varies considerably, and that Ministers and other office holders (such as the President of the Legislative Council and the Speaker of the House of Assembly) do not generally participate in committee work. **The Government considers that the current arrangement of paying Committee sitting fees is appropriate and should continue, rather than the basic salary, applicable to all Members, being increased by some fixed amount.***

- 5.4.8 A detailed analysis of data applicable to Standing and Select Committees is found at Appendix 2.
- 5.4.9 The sitting fee is paid on a daily basis irrespective of the time occupied by the meeting. From the information available to the Tribunal, the time occupied for each meeting ranges from 15 minutes (sometimes by teleconference) up to five or more hours. Typically a committee meeting would be in the range of 45 minutes to two hours.
- 5.4.10 Sitting fees are only payable to members and Chairs of Standing Committees as distinct from Select Committees. Upon inquiry, no one was able to provide a logical explanation for this distinction, other than an historical basis.
- 5.4.11 The annual cost of the sitting fees paid is set out in the following table:

Table 10 - Annual cost of Sitting Fees

Year	House of Assembly	Legislative Council
2006/07	16 051	17 043
2007/08	16 528	16 279
2008/09	16 002	17 366
2009/10	18 360	18 384
2010/11	8204	10 212
2011/12	17 536	11 430
2012/13	18 981	14 618

Source: Clerks of the Legislative Council and House of Assembly

- 5.4.12 On the basis that Ministers and office holders generally do not sit on Committees, the fee paid on average per member appears to be in the order of \$1300 pa.

5.4.13 Additional salary or sitting fees are paid to Committee Chairs in all Australian Parliaments. However in relation to Committee members, only members of the Queensland, South Australian, West Australian and NSW (Public Accounts only) parliaments are paid an additional amount. The amounts paid vary widely and are summarised in the following table:

Table 11 - Committee Fees/Additional salary – Australian Parliaments

Parliament	Chair	Member
Commonwealth	3% -16%	NA.
NSW	6.25%	\$4310 Public Accounts only
Victoria	\$7049 -\$28 195	NA
Queensland	\$57 538	\$23 031
South Australia	\$21 438 - \$26 032	\$15 313 - \$18 376
Western Australia	\$18 864 Standing Committees	\$10 405
Northern Territory	\$22 636 Public Accounts, legal and Constitutional Affairs only	NA
ACT	\$12 526	NA
Tasmania	\$142/day Standing Committees	\$118/day Standing Committees

Note: Commonwealth, WA and Victoria have additional salary for Deputy Chairs.

Source: *Queensland Independent Remuneration Tribunal Determination 3/2014 27/3/2014*
Various Parliamentary Handbooks and relevant legislation

5.4.14 We are of the view that Committee work is very much part of the core role of an MP in the same manner as participating in parliamentary debates, attending briefings etc is.

5.4.15 Accordingly we have determined that the sitting fees for members of Standing Committees should be abolished with effect from 1 July 2014.

5.4.16 We have decided against incorporating a specific amount in the basic salary as 'compensation' for this change, but we are of the view that the new basic salary we have determined adequately remunerates the MP for electoral and parliamentary duties, including Committee work.

5.4.17 We do, however, agree with the submission of the **then State Government** that the role of a Committee Chair can be an onerous one and is something over and above that expected of a Committee member. This is recognised by all Parliaments of Australia in one form or another.

5.4.18 One approach might be to take the existing difference between the allowance for a Chair and the allowance for a member of a Committee. This would equate to \$24/day which in our view is totally inadequate for the extra responsibilities attaching to the role of the Committee Chair.

5.4.19 We have decided to maintain the allowance at the existing rate. i.e. 0.12% of the basic salary (\$153.60/day from 1 July 2014). This is significantly less than is applicable in any other parliamentary jurisdiction in Australia.

5.4.20 Further, we have determined that the allowance should be paid to the Chair of both Select and Standing Committees as we are satisfied that there is no logical reason to distinguish between Standing and Select Committees.

Finding: Committee Sitting Fees

- 1. The daily sitting fee for a member of a Standing Committee is to be abolished with effect from 1 July 2014.**
- 2. The Chair of a Standing or Select Committee to be paid a daily sitting fee equivalent to 0.12% of the annual basic salary for each day on which the Chair attends a summoned meeting of the Committee. This allowance is to take effect from 1 July 2014.**

5.5 Away From Home Travelling Allowance

5.5.1 This allowance is expressed in the following terms.

***(1)** There is payable to a member of Parliament an Away From Home Travelling Allowance for expenses incurred while travelling on official parliamentary business.*

***(2)** The rate of the Allowance is to be calculated in accordance with the Travel Allowance and Meal Allowance components prescribed from time to time by the Tasmanian State Service Award of the Commission.*

***(3)** Where a member of Parliament exceeds the Allowance to which he or she is entitled, the member may, subject to any guidelines issued from time to time by the Government, claim an allowance by way of reimbursement of expenses, at the rate equivalent to the actual expenses incurred, on submission of documentary evidence of those expenses.*

***(4)** The Allowances referred to in subclauses (2) and (3) are mutually exclusive and a member must claim either the Travelling Allowance referred to in subclause (2) or the reimbursement of actual expenses referred to in subclause (3).*

5.5.2 In summary, the current allowances are:

• <i>Overnight (Tasmania)</i>		\$132
• <i>Meals</i>	Overnight	Day travel
o <i>Breakfast</i>	\$24.90	\$12.45
o <i>Lunch</i>	\$28.00	
o <i>Dinner</i>	\$47.75	\$23.90

5.5.3 The majority of submissions stated that this allowance was adequate and administratively sound. One submission noted that accommodation costs in Hobart are considerably higher than in regional areas.

5.5.4 **Michael Toby** suggested consideration be given to the adoption of a flat rate to cover all costs incurred rather than the administrative complexities of separating the allowance into four components. Mr Toby also suggested that consideration be given to a 'Hobart rate' in line with the Victorian approach.

5.5.5 **Sue Smith** observed that whilst the allowance was generally adequate, *"it must maintain pace with the additional cost burden of accommodation increases that happen from time to time."*

5.5.6 The **ANMF** submitted that State Service allowances should be paid for interstate and international travel, but not for normal participation in duties. *"Compensation for remote parliamentarians should be in the form of rural/remote allowance only."*

5.5.7 The **CPSU** observed that politicians are currently entitled to meal allowances for day travel, which does not generally apply to *"Public Service workers"*. This does not accord with our reading of the allowance, but to avoid any doubt, we will amend the provision to ensure that both the rates **and** conditions from the *Tasmanian State Service Award* apply.

5.5.8 We do not propose any substantive change to this provision. Nothing has been put to us to sustain a contention that MPs require a more generous arrangement than that applicable to State Servants. As such the question of adequacy is better served through the Award mechanism than a review of this nature.

5.5.9 We will amend subclause (2) in 5.5.1 above to ensure that both the rates and circumstances under which the allowance is payable apply.

Finding: Away From Home Travelling Allowance

1. This allowance is to remain unchanged apart from the following:

2. Subclause (2) in 5.5.1 is amended to read:

The rate of and the circumstances under which the allowance is payable shall be in accordance with the Travel Allowance and Meal Allowance components prescribed from time to time by the Tasmanian State Service Award of the Commission.

5.6 Bass Strait Islands Travelling Allowance

"A Member travelling to the Bass Strait Islands on official Parliamentary business is entitled to an allowance equivalent to the reimbursement of expenses incurred."

5.6.1 This allowance has universal support and we do not propose any change.

5.7 Taxi Allowance

5.7.1 The 2012 Act provides that in order to avoid the necessity for a ministerial driver to be on call, a taxi allowance is payable by way of a voucher.

5.7.2 The **then State Government** submitted that it was sensible, where cost effective, for a Minister to travel in a taxi after a function or other official duty, rather than keep a ministerial driver on hold. However this should be an administrative practice rather than a specified 'allowance'.

5.7.3 We agree and propose that the allowance be abolished.

Finding: Taxi Allowance

This allowance is abolished with effect from 1 July 2014

5.8 Entertainment Allowance

5.8.1 This Allowance is expressed as follows:

"There is payable to a person holding an office specified in the first column of this clause an Entertainment Allowance of an amount equivalent to the percentage of the basic salary as specified in the second column."

Column 1	Column 2
Office	% of basic salary
<i>Premier</i>	12
<i>President of the Legislative Council</i>	6
<i>Speaker of the House of Assembly</i>	6

5.8.2 The majority of submissions received expressed support for a continuation of the existing arrangements.

5.8.3 The **then State Government** observed:

"Given the expectation and requirement that holders of these offices are able to host functions and provide appropriate hospitality to dignitaries and other visitors on behalf of the Parliament and the Tasmanian community generally, the Government considers that the current arrangement is appropriate and should continue."

5.8.4 The **CPSU** supported the notion of 'reasonable entertainment expenses' but *"the circumstances in which entertainment expenses can be utilized should be clearly set out and the actual costs of entertainment reimbursed rather than an allowance being paid."*

5.8.5 The **ANMF** submitted that there was a need for complete transparency.

5.8.6 **Michael Toby** submitted the allowance be abolished suggesting that where hospitality is extended in connection with official duties, the cost should be borne by the Department of Premier and Cabinet or the relevant Chamber department, and if the entertainment is not official in nature, the cost should be borne personally.

5.8.7 We are satisfied that the existing arrangements are working satisfactorily and we do not propose any change.

5.9 Electorate Allowance

5.9.1 Current entitlements are as follows:

Members of the Legislative Council

<i>Group 1</i>	
<i>Apsley</i>	\$47 523
<i>Group 2</i>	
<i>Murchison, Western Tiers</i>	\$43 769
<i>Group 3</i>	
<i>Derwent, Huon</i>	\$37 516
<i>Group 4</i>	
<i>Montgomery, Rumney</i>	\$35 016
<i>Group 5</i>	
<i>Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart</i>	\$30 014

Members of the House of Assembly

<i>Bass</i>	\$41 269
<i>Braddon</i>	\$45 020
<i>Denison</i>	\$30 014
<i>Franklin</i>	\$36 266
<i>Lyons</i>	\$50 024

5.9.2 Electorate Allowances are payable in all Parliaments of Australia with the exception of the ACT.

5.9.3 Generally speaking, the purpose of Electorate Allowances is to cover expenses incurred by MPs in servicing the electorate, other than those expenses specifically

covered by other allowances. The 2006 Report identified the following expense items that might appropriately fall within the purview of the Electorate Allowance. This is not necessarily an exhaustive list.

- *Accommodation expenses when travelling within the electorate*
- *Postage, including newsletters*
- *Pamphlet drops*
- *Professional development in all its forms*
- *Communication with the electorate, surveys, focus groups etc*
- *Upgrading to a non-standard vehicle. e.g. 4WD*
- *Commissioning research projects*
- *Entertainment*
- *Attendance at community, business, education and sporting functions*
- *Subscriptions and donations to charitable, sporting and social organisations within the electorate*
- *Advertisements of the Member's parliamentary activities within the electorate*
- *Home office expenses*
- *Internet access fees*
- *Taxi fares*

5.9.4 This entitlement was subject to an in-depth review in the 2006 Report. Whilst the Allowance was significantly increased at that time, it is not designed to cover every expense which might be considered desirable or justifiable. Rather, it was designed to provide for flexibility and to allow MPs to make informed choices as to where their priorities might lie within the constraint of the available funds. For example, an MP might choose to fund an electorate survey rather than overseas study conference or electorate newsletter.

5.9.5 We were informed that the restructured allowance has worked satisfactorily, particularly in terms of administrative efficiency. Each MP must justify to the Australian Taxation Office the legitimacy of expenditure from the Electorate Allowance. We note in passing that controversy which has been evident in a number of Australian Parliaments concerning 'expenses' charged to the taxpayer has been notably absent from the Tasmanian Parliament.

5.9.6 The majority of submissions indicated that the allowance was 'adequate' but invariably fully expended.

5.9.7 There was a suggestion that the disparity between geographically large and small electorates was too great given that a vehicle had been provided at the time of the 2006 review. However this was strongly refuted by other submissions pointing to the need for such things as additional travel involving overnight stays, a

disproportionate number of schools, community groups and community newspapers which are part and parcel of serving a larger electorate.

5.9.8 We note that Electorate Allowances Australia wide invariably bear a direct relationship with the geographic size of the electorate.

5.9.9 In the absence of a far more detailed study we do not propose to alter the relativity established by the 2006 report. We flag that this issue may well be an appropriate matter for consideration at the next triennial review.

5.9.10 We propose to adjust the existing allowances consistent with the change in the CPI (2.76%) with effect from 1 July 2014 and link future annual adjustments to the CPI.

Finding: Electorate Allowance

- 1. Existing allowances to be increased by 2.76% with effect from 1 July 2014.**
- 2. The allowances will be adjusted from 1 July each subsequent year to reflect the change in the CPI, Hobart, All Groups between the March quarter in that year and the March quarter in the previous year.**

5.10 Codification of Leave Arrangements

5.10.1 Members of the Tasmanian Parliament do not enjoy codified entitlements for annual leave, personal leave, long service leave and parental leave.

5.10.2 This does not mean however that MPs are never able to take leave. Leave in the nature of annual leave is taken by the MP as opportunity offers, which often includes the Christmas/New Year period and/or mid-year winter break. How much leave is taken is essentially a matter for the individual MP with the ultimate judge as to what is reasonable being the electorate. This is particularly so in relation to long service leave. Whilst in theory an MP could take an extended period of leave akin to long service leave, in reality the demands of the electorate, particularly under the Hare-Clark electoral system, might render this electorally dangerous, and hence unlikely.

5.10.3 We were also informed that some MPs felt it necessary to take leave interstate if they were to enjoy a largely uninterrupted break.

5.10.4 Untaken annual and long service leave does not accumulate as in a normal employment situation and is effectively 'lost' on retirement from the Parliament.

5.10.5 Personal leave for illness or incapacity is taken by leave of the respective House, and, we are advised, is invariably granted. We understand that parental leave is treated in a similar manner.

5.10.6 The **CPSU**, whilst acknowledging that politicians are different to other workers in the way they are employed and conduct their functions, submitted they should

nonetheless have a basic set of (leave) entitlements which are applied in a clear and transparent manner. The **ANMF** expressed a similar view.

5.10.7 The **HACSU** submission referred to a lack of transparency regarding conditions of employment and *“strongly advocates for a set of conditions applicable to Tasmanian Parliamentarians.”*

5.10.8 **Sue Smith** stated:

“With no set criteria for maternity, paternity and carers leave as with other awards, I witnessed the media being unfairly critical of the process of a Minister on leave due to child birth. A set criteria of a number of weeks for each capacity at base salary would have averted what I believe was unfair targeting.”

5.10.9 The majority of sitting members who commented on this issue were supportive of the status quo.

5.10.10 We have approached this issue with some caution. To our knowledge, no other Australian parliament has attempted to codify these leave arrangements. We are also satisfied on the available evidence that under existing arrangements, leave is not abused by individual MPs, and if it were, we are confident the abuse would quickly be called to account by the electorate. We suspect, if anything, absence on leave for MPs is less than it might be under a normal employment arrangement, particularly in the case of long service leave.

5.10.11 In this case we believe there is something to be said for the adage *“if it aint broke don't fix it.”* We do not propose to change the existing arrangements. We do however note that there may be a case to codify arrangements in respect of parental leave, in particular. We would, however, need a wider range of views than is before us before we could address this issue with confidence.

5.11 Resettlement Allowance

5.11.1 When an MP loses his or her seat in Parliament, payment of salary and other benefits such as the use of a car and mobile phone, ceases immediately. MPs have no entitlement to a redundancy payment nor do they have accrued leave to fall back on. It is understandable that the sudden loss of a seat will often give rise to a financial shock which, under existing arrangements, is not in any way cushioned.

5.11.2 There is an argument that a seat in Parliament is like a fixed-term contract and hence no additional compensation should be paid when the contract comes to an end. Whilst this is true in part, there is an important difference. Sitting MPs generally do not approach an election with the intention or expectation that they will be defeated. If this does occur, the sudden loss of income will likely be exacerbated by a substantial financial outlay on what turned out to be an unsuccessful election campaign.

5.11.3 The concept of a ‘Resettlement Allowance’ is now a feature of all Australian Parliaments other than NSW and Tasmania. In essence the allowance is designed to assist former MPs to move from political life to private life. The

determination of the West Australian Salaries and Allowances Tribunal of 10 August 2012 provides a summary of reasoning for a Resettlement Allowance:

“This allowance is to facilitate a Member’s transition from public office to private life. This allowance will assist a Member to access resettlement advice and services including financial counselling, re-employment counseling, out-placement services, educational and training costs and any other costs a member deems necessary. The Resettlement Entitlement is not intended to apply at a time a Member resigns in order to nominate for a position in another House of Parliament and is subsequently appointed as a Member of the other House.”

5.11.4 The following table summarises the Resettlement Allowances applicable in the various Australian parliaments:

Table 11 - Resettlement Allowance in Australian Parliaments

Jurisdiction	Arrangements
Commonwealth	3 months basic salary plus an additional 3 months for a member who has served more than full term. Eligible if defeated at an election or loses party endorsement.
NSW	Nil
Victoria	3 months’ salary at the basic rate plus an additional 3 months’ salary if member has served in more than one consecutive parliament. Eligible if defeated at an election or loses party endorsement.
South Australia	12 weeks of basic salary.
Western Australia	3 months of base salary for MPs serving two terms or less. 2 months of base salary for MPs serving between 2 and 3 terms.
Queensland	3 months of base salary when MP serves one term. 6 months of base salary if MP serves more than one term. Eligible if defeated at an election or loses party endorsement.
ACT	2 weeks of base salary for each year of service, capped at 12 weeks. All retiring and/or defeated MPs eligible.
Northern Territory	12 weeks of basic salary. Eligible if elected after 2005 and defeated or loses party endorsement
Tasmania	Nil

5.11.5 In some cases access to a parliamentary pension is a consideration as to eligibility. In this context we observe that for the overwhelming majority of Tasmanian MPs, the superannuation arrangements are arguably the least generous of any Australian parliament.

5.11.6 The concept of a severance payment is supported by the **CPSU**:

“The CPSU believes there should be a severance payment made to politicians who recontest elections but are not elected. Employees who are terminated are entitled to a severance payment to cover the period while alternate employment is sought and politicians should have a similar entitlement. Severance arrangements set out in the National Employment Standards would be reasonable.”

5.11.7 We believe there is a compelling case for a Resettlement Allowance in Tasmania.

5.11.8 We consider that an appropriate allowance is the equivalent of 12 weeks at the basic salary.

5.11.9 MPs who have completed at least one full term of Parliament and are either defeated or lose party endorsement and choose not to stand will be eligible. MPs elected at a by-election or a re-count will not be eligible until they have served at least one full term. Similarly MPs who move from one House to another or from one electorate to another (other than as a consequence of electoral reform) and are subsequently defeated will not be eligible.

5.11.10 We anticipate the cost of this proposal to be modest. At the most recent election five candidates would have been eligible. Spread over the life of the Parliament this equates to an annual cost of approximately \$34 000.

Finding: Resettlement Allowance

Members shall be entitled to a Resettlement Allowance equivalent to 12 weeks at the basic salary subject to meeting the following criteria:

- 1. Members have served at least one full term immediately prior to an election, and**
- 2. Are defeated at a subsequent election or lose party endorsement.**
- 3. Members elected at a by-election or a recount will not be eligible until they have served at least one full term.**
- 4. Members who choose to resign from one House or electorate and nominate for another House or electorate (other than as a consequence of electoral reform) and are subsequently defeated are not eligible for the resettlement allowance.**

This allowance will take effect from 1 July 2014.

5.12 Electorate Offices

5.12.1 The **then State Government** submission noted that section 8, clause 2, Schedule 2 of the 2012 Act provides for Members of Parliament to be entitled to benefits such as staff, office accommodation, equipment, facilities and other resources to assist them in the performance of their duties.

5.12.2 The submission acknowledged that as these entitlement are not specified as quantifiable 'allowances', they probably fall outside the scope of the Tribunal's determination. Nonetheless the submission considered it "*important to flag some aspects of the current arrangements and indicate future change is desirable.*" These issues include:

- Lack of a clear definition about the specifics of the entitlement to an electorate office and support staff.
- The need for a clear articulation of the entitlement with minimum standards for office size and facilities, quality of fit-out, furniture and equipment, IT equipment and support, health and safety, signage and security.
- Other aspects which need clear definition include funding, use of the Members Allocation, the relationship between electorate Offices, Leaders offices and Ministers offices; staffing responsibility and overall management of electorate offices.

5.12.3 The submission went on to make additional comments about some of these matters.

5.12.4 We consider that this issue is beyond the Terms of Reference of this inquiry. Whilst we acknowledge the submission raises issues of substance and importance, a separate review would be necessary to do proper justice to the matters raised.

6 Summary of Determinations

6.1 Basic Salary

1. *The basic salary shall be:*

- \$124 000 with effect from 1 July 2014
- \$128 000 with effect from 1 January 2015
- From 1 July 2015 and 1 July 2016, the basic salary is to be adjusted by the change in the Wage Price Index, Ordinary Time Hourly Rates of Pay, Excluding Bonuses; Tasmania, Private and Public; All Industries [ABS catalogue 6345.0] between the March quarter in that year and the March quarter in the preceding year
- That during 2016/17 the basic salary and allowances be subject to review by an independent tribunal, with a view that any change would take effect from 1 July 2017.

2. *Recommendation:*

That, consistent with the practice since 1997, the relevant legislation be amended to specify that the independent tribunal referred to above be a Full Bench of the Tasmanian Industrial Commission.

6.2 Motor Vehicle Allowance

1. Each Member is entitled to a Vehicle Allowance of \$15 419 pa effective from 1 July 2014. This allowance shall be adjusted on 1 July each year to reflect the change in the CPI, Hobart, All Groups between the March quarter in that year and the March quarter in the preceding year.
2. Members may elect, in lieu of the allowance, to be provided with a fully maintained, private plated vehicle for parliamentary, electorate and private use, but not for commercial purposes. The standard of vehicle is that which is generally available to State Servants at SES Level 1. Members are responsible for the running costs of the vehicle when used outside Tasmania.

6.3 Telecommunications Allowance

There shall be payable, by way of reimbursement, to each Member of Parliament a Telecommunications Allowance consisting of the following:

1. 80% of all charges for a mobile telephone
2. \$50 per month for costs associated with a landline home telephone service (evidence that a home phone is installed is required)
3. The allowance in respect of a mobile telephone for the holder of offices of the President of the Legislative Council, Speaker of the House of Assembly, Leader of the Opposition and Leader of a recognised non-government party, is to be unlimited.

The above allowance is to take effect from 1 July 2014.

6.4 Committee Sitting Fees

1. The daily sitting fee for a member of a Standing Committee is to be abolished with effect from 1 July 2014.
2. The Chair of a Standing or Select Committee to be paid a daily sitting fee equivalent to 0.12% of the annual basic salary for each day on which the Chair attends a summoned meeting of the Committee at which a quorum is present. This allowance is to take effect from 1 July 2014.

6.5 Away from Home Travelling Allowance

1. There is payable to a member of Parliament an Away From Home Travelling Allowance for expenses incurred while travelling on official parliamentary business.
2. The rate of and the circumstances under which the allowance is payable shall be in accordance with the Travel Allowance and Meal Allowance components prescribed from time to time by the Tasmanian State Service Award of the Commission.
3. Where a member of Parliament exceeds the Allowance to which he or she is entitled, the member may, subject to any guidelines issued from time to time by the Government, claim an allowance by way of reimbursement of expenses, at the rate equivalent to the actual expenses incurred, on submission of documentary evidence of those expenses.
4. The Allowances referred to in [subclauses \(2\)](#) and [\(3\)](#) are mutually exclusive and a member must claim either the Travelling Allowance referred to in [subclause \(2\)](#) or the reimbursement of actual expenses referred to in [subclause \(3\)](#).

6.6 Taxi Allowance

This allowance is abolished with effect from 1 July 2014.

6.7 Entertainment Allowance

There is payable to a person holding an office specified in the first column of this clause an Entertainment Allowance of an amount equivalent to the percentage of the basic salary as specified in the second column.

<i>Column 1</i>	<i>Column 2</i>
Office	% of basic salary
Premier	12
President of the Legislative Council	6
Speaker of the House of Assembly	6

6.8 Electorate Allowance

1. The following Allowances are payable with effect from 1 July 2014

Members of the Legislative Council

<i>Group 1</i>	
<i>Apsley</i>	\$48 835
<i>Group 2</i>	
<i>Murchison, Western Tiers</i>	\$44 977
<i>Group 3</i>	
<i>Derwent, Huon</i>	\$38 551
<i>Group 4</i>	
<i>Montgomery, Rumney</i>	\$36 075
<i>Group 5</i>	
<i>Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart</i>	\$30 842

Members of the House of Assembly

<i>Bass</i>	\$42 408
<i>Braddon</i>	\$46 263
<i>Denison</i>	\$30 842
<i>Franklin</i>	\$37 267
<i>Lyons</i>	\$51 405

2. The Allowances will be adjusted from 1 July each subsequent year to reflect the change in the CPI, Hobart, All Groups, between the March quarter in that year and the March quarter in the previous year.

6.9 Resettlement Allowance

Members shall be entitled to a Resettlement Allowance equivalent to 12 weeks at the basic salary subject to meeting the following criteria:

1. Members have served at least one full term immediately prior to an election, and
2. Are defeated at a subsequent election or lose party endorsement.
3. Members elected at a by-election or a recount will not be eligible until they have served at least one full term.
4. Members who choose to resign from one House or electorate and nominate for another House or electorate (other than as a consequence of electoral reform) and are subsequently defeated are not eligible for the resettlement allowance.

This allowance will take effect from 1 July 2014.

Acknowledgement and Bibliography

The tribunal wishes to acknowledge the invaluable research assistance provided by Dr Bryan Stait, Research Co-ordinator, Parliamentary Research Service.

We are also indebted to the assistance and information provided by Mr David Pearce, Clerk of the Legislative Council and Mr Peter Alcock, Clerk of the House of Assembly, together with their senior officers.

This paper has been prepared with reference to the following publications and documents:

Commonwealth

- *Remuneration Tribunal Act 1973*
- *Review of the Remuneration of Members of Parliament: Initial report* Commonwealth Remuneration Tribunal, December 2011
- *The Attributes, Role and Reward of a Backbencher in the Federal Parliament*, Egan Associates, November 2011
- *Review of Parliamentary Entitlements*, Committee Report, Belcher, Conde, Mason & Fels, 9 April 2010
- Parliamentary Library Research Paper, *Parliamentary Remuneration and Entitlements*, Parliament of Australia, Department of Parliamentary Services, Cathy Madden and Deidre McKeown, Politics and Public Administration Section, July 2013
- Australian Bureau of Statistics, website <http://www.abs.gov.au/>, ABS Catalogue 6401.0, ABS Catalogue 6302.0, ABS Catalogue 6345.0

Tasmania

- *Parliamentary Salaries and Allowances Act 1973*
- *Parliamentary Salaries Superannuation and Allowances Act 2012*
- *Report of the Committee of Review Inquiring into Parliamentary Salaries*, Bruce Collier, Geoffrey James Foot, Keith Marshall, Department of Premier and Cabinet, 1995
- *Report of the Full Bench of the Tasmanian Industrial Commission Established to Determine the Basic Salary and Additional Salaries Payable to Members of the Tasmanian Parliament*, President Frederick D Westwood, Deputy President Bevan R Johnson, Commissioner Robert J Watling, Hobart, Tasmania, 14 May 1997
- *Report of the Second Committee of Review inquiring into Allowances and Benefits provided to Members of the Tasmanian Parliament*, Patricia Lilian Leary, Timothy John Abey, James Patrick McAlpine, Hobart, Tasmania, 21 August 2006

- Tasmanian Government Gazette, 3 July 2013, *Parliamentary Salaries, Superannuation and Allowances*, page 1045

New South Wales

- *Parliamentary Remuneration Act 1989*
- *The Parliamentary, Local Council and Public Sector Executives Remuneration Legislation Amendment Act 2011*
- *Annual Report and Determination of Additional Entitlements for Members of the Parliament of New South Wales*, Parliamentary Remuneration Tribunal, 4 July 2013
- 2014 Review of Remuneration for Holders of Public Office, Statement, Remuneration Tribunal, 12 May 2014

Victoria

- *Parliamentary and Public Administration Legislation Amendment Act 2013*
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Queensland

- Parliamentary Members' Salary Notice (No 1), Queensland Government Gazette No 53, 5 July 2013
- *Building a new remuneration structure for Members of the Queensland Parliament, Determination 1/2013*, Queensland Independent Remuneration Tribunal, 15 October 2013
- Determination 3/2014 Queensland Independent Remuneration Tribunal, 27 March 2014

Western Australia

- *Salaries and Allowances Act 1975*
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- *Determination of the Salaries and Allowances Tribunal on Remuneration of Members of Parliament, pursuant to Sections 6(1)(a)(ab)(b) and 6AA*, August 2013

South Australia

- *Report and Determination of the Remuneration Tribunal, Travelling and Accommodation Allowances, Ministers of the Crown and Officers and Members of Parliament*, No. 3 of 2013, 18 June 2013
- *Parliamentary Remuneration Act 1990*
- *Parliamentary Remuneration (Basic Salary) Amendment Act 2012*

Australian Capital Territory

- *Members of the ACT Legislative Assembly*, Australian Capital Territory Remuneration Tribunal, Determination 1 of 2013, May 2013
- *Remuneration Tribunal Act 1995*
- *Review of Entitlements for Members of the Australian Capital Territory legislative Assembly, Issues Paper*, December 2013
- *Final Report on the Review of Entitlements for Members of the Australian Capital Territory Legislative Assembly*, ACT Remuneration Tribunal, April 2014

Northern Territory

- *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*
- *Report on the Entitlements of Assembly Members, and Determination No. 1 of 2013*, Northern Territory of Australia Remuneration Tribunal, 27 September 2013

Appendix 1

History of Salaries in the Tasmanian Parliament

- **Chronology of Significant Changes to Members' Pay**
- **History of Parliamentary Salaries**
- **Significant Changes to Members' Pay**

Source: Parliamentary Research Service

Appendix 1

History of Salaries in the Tasmanian Parliament

Chronology of Significant Changes to Member's Pay

- 1870** September: A motion to investigate the 'reimbursement' of members is considered at the instigation of Hon. J.D. Balfe, but is withdrawn. Instead the Victorian Royal Commission Report on Payment of members is tabled as PP79/1870 - again, no action is taken.
- 1872** Dec: A similar motion is moved by Hon. J. Millar. It too is withdrawn.
- 1873** October: A suggestion to pay MPs one pound (£1) per sitting day is moved by Hon. A. Clerke, but it too fails.
- 1874** Hon. J.R. Scott successfully moves a motion on 13 August to establish a Select Committee of the House of Assembly to investigate the *liquidation* of members' expenses. The report, after three meetings of the committee, is tabled as PP69/1874 on 19 August. However, its main finding is to reiterate the report of the 1870 Victorian Royal Commission.
- 1890** Bill No. 67 *Payment of Members* is introduced on 22 October and becomes 'Reimbursement of Members of Parliament Act, 54 Victoria No. 20, 1891'. The aim is to recoup expenses in 'relation to attendance in the discharge of Parliamentary duties'. Half the money is paid in two separate payments.
- 1891** Payment scheme commences from first day of session, namely, 7th July.
- 1908** 14 August: A seven-member Select Committee of the House of Assembly, chaired by Hon. J. Earle is established. It meets on four occasions and reports on 25 September 1908 as PP48/1908. Its main finding is for an increase from £100 per annum to £200 per annum to take account of 'larger electoral districts' with concomitant 'greater expenditure and loss of time on the part of Members'.
- 1927** 17 August: Joint Committee appointed to inquire into proposed salary increases to members and office holders. Reported 30 August (PP23/1927)
- 1942** Cost of living allowance as used by Public Service is introduced at a rate of 4 shillings per fortnight.
- 1948** 11 October: A Committee of Inquiry on Salaries of Members is established, chaired by John Harris. Its report is tabled in November 1948 as PP42/1948. Its main finding is to set a basic pay of £800 for Legislative Councillors, with larger amounts for different electorates up to £1 050, and a basic pay for House of Assembly of £850 (Bass) ranging up to £1 050 (Darwin, now Braddon). Ministers to receive £1 750 and Premier £2 000: plus an entertainment allowance.

- 1951** October: the Premier, Hon. R. Cosgrove, appoints a Committee of Inquiry chaired by T. Hytten. Its report dated 16 November, is made PP63/1951. Its main findings are to take account of cost of living increases since 1948, and to adjust them quarterly, if this is used as a model in the Public Service.
- 1953** The cost of living adjustments are pegged at £382 per annum.
- 1955** An Order-in-Council dated 29 March establishes another Committee of Inquiry into Salaries, Allowances and Retiring Allowances of MPs, chaired by J.L. Walker. The report is signed on 18 April and becomes PP13/1955. Its main findings include a view that a '... conscientious Member cannot adhere to normal working hours and days'. It also believes that a salary differential between the two Houses is 'justified', but the Legislative Council also gains an electorate allowance ranging from £250 to £350.
- 1955** Subsequent to the Report, Legislative Councillors refuse to accept other than comparable rates of pay with MHAs. Thus MHAs basic pay is reduced by £100 per annum whilst their allowances are raised by £100 per annum.
- 1960** 15 July: A Board of Inquiry chaired by W.F. Webb is established. It reports, after having met on a dozen occasions, on 5 August as PP34/1960. Its main finding is for a basic pay of £1 850 that would apply to both Houses without any differential; allowances for Legislative Council would range from £250 to £575 per annum and for House of Assembly from £750 to £875 per annum. The Premier's pay should be £2 200 pounds plus £350 for entertainment. It also recommends an independent board for salaries of MPs be established.
- 1964-73** 7 July 1964: A Parliamentary Salaries Tribunal is established by virtue of Parliamentary Salaries and Allowances Act. It issues three reports (PP44/1964, PP36/1967 and PP33/1970) before it is abolished in 1973.
- 1982** The incoming Gray Liberal Government legislates (Act No. 14/1982) to freeze members' pay for a two-year period. Thus the 1981 basic pay remains effective until 15 June 1983.
- 1984** By virtue of Act No. 30/1984 the Auditor-General is authorised to assess whether or not a Public Service salary increase should automatically apply to MPs also. This would then be gazetted as the new 'basic salary'. The act also establishes a three-person Salary Review Committee to assess the basic salary level as at 1 May 1987.
- 1984** 23 October: By an Order-in-Council a three-person Advisory Committee on Electoral Allowances is established with Mr R. Mather as Chair. Its report becomes PP19/1985. Its main recommendation is to increase all such allowances to take account of increases in number of electors and length of roads per electorate between 30 June 1973 and 31 December 1984.
- 1986** By virtue of Act No. 74/1986 the Government gives effect to a promise to reduce MPs salaries. Thus a series of reductions is made as follows: 3% for salaries up to \$30 000 but less than \$40 000, then 4% reduction up to \$50 000 after which a 5% reduction would apply. (See House of Assembly *Hansard* 22 July 1986).

1987 Salary Review Committee chaired by L. Koerbin (June-July) resolves that 'no pay rise' is warranted. By Statutory Rule No. 227/1987 the temporary reductions in salary are lifted as of 15 November 1987.

1988 By virtue of Act 30/1984 the Auditor-General advises the Government that MPs could not expect a flow-on of 4% given to public servants under the second-tier wage agreement because no productivity offsets applied.

Act No. 22/1988 'removes doubts' concerning the above by abolishing the Salaries Review Committee and provides a three-part package to MPs: -

1. Basic pay of \$40 102, i.e. 4% back-dated to 1 April 1988 plus permanent equivalence to public service salaries to be determined and gazetted by Auditor-General.
2. Full telephone rental allowance (at home) and quarterly payment of any one telephone account.
3. Postal expenses for costs incurred for the discharge of parliamentary duties, paid quarterly.

State Industrial Commission rules in favour of 3% wage rise effective from 15 September 1988 and \$10 per week in March 1988. Statutory Rule No 209/1988, notified in the *Gazette* 23 November 1988, provides that a Member of Parliament receive an allowance of \$300 per quarter for postal expenses, effective 1 April 1988.

1989 31 May: *Government Gazette* announces two back-dated basic salary increases including the \$10 p.w. National wages rise.

1989 6 December: *Government Gazette* sets basic salary at first 3% instalment of 6% national wage decision.

1990 29 August: *Government Gazette* announces basic salary as second 3% increase.

State Budget 1990-91 sees \$120,000 provided for Legislative Councillors 'support staff' and \$353,000 provided for Green Independents 'support staff and facilities'. Following a Managers Conference an Independent assessor is established to review all MPs support staff by 1 February 1991.

1991 29 August: Premier Field (ALP) suggests the re-establishment of a Parliamentary Salaries Remuneration 'tribunal' (to include e.g. Judges Salaries) and indicates Cornish Review/Remuneration Tribunal implementation to be 'staggered'.

1991 25 September: Auditor-General details his concerns over 'claims for travel and other allowances for Members of Parliament' and makes a list of recommendations. Premier Field agrees that a 'review' would be appropriate - his Government already plans a 'Parliamentary Provisions Act' (which does not eventuate).

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- 1992** 2 June: Premier Groom (Lib) introduces bill to phase out superannuation scheme and replace it with 16% 'superannuation support allowance' on top of basic salary for members to obtain their own benefits; however the bill lapses.
- 1993** 18 November: Premier Groom (Lib) introduces a bill to link Tasmanian MPs pay to that of Commonwealth MPs (95%) and to restructure the various loadings payable to office bearers on top of their base pay. Effective date to be 1 January 1994. In addition \$5 000 is provided to each MHA for equipment purchases (equipment remaining property of Parliament).
- 1994** 1 July: Premier Groom (Lib) declares that a new allowance payable to Federal MPs (\$5 000 p.a.) is not a portion of the basic pay and thus Tasmanian MPs would not receive 95% of this sum. He later says legislation would confirm this if necessary but no legislation is forthcoming.
- 1995** 28 March: Premier Groom (Lib) announces a three-person panel to review the 95% nexus with Federal MPs salary. 21 April: Bruce Collier (Chair), Keith Marshall and Sir Geoffrey Foot named as review panel, with terms of reference to review 'appropriate proportion' of Federal salary to 'form the basic salary' of Tasmanian MPs.
- 2012** 8 June: Collier Report is handed in. It accepts the 40% pay rise as 'justifiable' and recommends a new phased-in nexus of 97%. But Premier Groom rejects this and legislates for a nexus of 88.9% instead by the Parliamentary Salaries and Allowances Amendment Act 1995, which receives royal assent on 13 July although deemed to be 'effective' from 30 June 1995.
- 1996** 14 May: Parliament passes the Parliamentary Salaries and Allowances Amendment Act (14/1996) which provides for a review of the basic salary and loadings of all members and office holders. The review by the full bench of the Tasmanian Industrial Commission (F. D. Westwood Chair) would set the percentage link with the Commonwealth MPs rate of pay as at 30 June 1996, such review being unquashable. Thereafter the Auditor-General would cause a notice of determination to be published in the *Gazette*, which is to have effect from 1 July in each subsequent year.
- 1997** 15 May: Industrial Commission publishes its determination, setting Tasmanian MPs salaries at 85.19% of that of a Federal member. It also publishes its determination of additional salaries and allowances. This includes an allowance for the Leader of a party with four or more members, other than the Government or the Opposition, for the first time in Tasmania.
- 1997** October: After revelations regarding spending of MPs allowances Premier Rundle (Lib) and the Leader of the Tasmanian Greens agree to send them to a committee of review. On 10 October a separate review commences, although it is composed of the TIC and is to report at the same time as the salary review.
- 1997** 15 August: Parliament passes the Parliamentary (Disclosure of Interests) Act (22/1996) which establishes a register of pecuniary interests for Tasmanian MPs. With these steps taken the disbandment is announced of the Extremely Greedy 40% Extra Party, which was established after the MPs 40% pay rise.

1998 On 17 February, Minister for Finance (Ron Cornish) appoints Dr Vince Fitzgerald (of Allen Consulting Group Pty Ltd to review the superannuation entitlements of future parliamentarians, judges and *masters* of Supreme Court.(Report issued April 1998)

In June, 1998 Tas. Industrial Commission appointed to report by September, ie to make a determination on the Fitzgerald Report 'on the percentage of basic salary that should be payable as a retirement income allowance"

In July 1998 Auditor-General determined that because Federal MP's had received no increase then due to the 'nexus' a flow-on to Tas. MP's was available

Federal Members of Parliament agree a pay rise of 10% in two stages: 5% 1/7/00 and 5% 1/7/01. Because Tasmanian MP's salary has a 85.19% nexus with Federal MP's pay rise calculated by Audit Office. It comes to 4.45% as of 1/7/00.

1999 In 1 July 1999 Premier Jim Bacon announces that the Government will implement recommendations of Full Bench of Tas. Industrial Commission, (F D Westwood-Chair). *"Report of the Committee of Review inquiring into entitlements of MP's regarding retirement income allowances and re-establishment allowances"* (June 1999).

Report of the Tribunal appointed to Determine Electorate Allowances payable to all members of the Legislative Council released (15 September, see allowances tabulation)

Continuing Prof. Dev. Allowance of \$3 000 applied from 1998-2006: reports of the travel undertaken were lodged with the Parliamentary Library

2006 Second Committee of Review reports (August 2006) and recommended eg. motor vehicle allowance or a car per Member. It also abolished the Continuing Professional Development Allowances (used for travel from 1998).

2011 Legislation passed to fix rise in MPs salaries for 2011/12 to 2% in line with governments wages policy.

2012 Legislation passed to fix rise in MPs salaries for 2012/13 and 2013/14 to 2% in line with governments wages policy

2012 June 2013: Order-in-Council appoints TIMOTHY JOHN ABEY (who shall chair the tribunal), NICOLE MARY WELLS and BARBARA DEEGAN to be a tribunal to inquire into the basic salary for Members of the Tasmanian Parliament as required by the *Parliamentary Salaries, Superannuation and Allowances Act 2012*.

2012 October 2013: Tribunal released issues paper and called for public submissions.

Source: Tasmanian Parliamentary Research Service, 2014

History of Parliamentary Salaries

Year	Title	Act No.
1882	Responsible Ministers' Salaries Act	46 Vict. No. 9
1890	Reimbursement of Members' of Parliament Act	54 Vict. No. 20
1891	Reimbursement of Members' of Parliament Act	55 Vict. No. 29
1892	Responsible Ministers' Salaries, Reduction Act	56 Vict. No. 9
1894	Reduction of Salaries fixed by Law Act	58 Vict. No. 42
1895	Reduction of Salaries fixed by Law Act	59 Vict. No. 41
1896	Reduction of Salaries fixed by Law Act	60 Vict. No. 41
1898	Reduction of Salaries fixed by Law Act	62 Vict. No. 55
1900	Payment of Members' Act	63 Vict. No. 51
1901	Alteration of Salaries fixed by Law Act	1 Ed. VII No. 35
1902	Alteration of Salaries fixed by Law Act	2 Ed. VII No. 44
1903	Alteration of Salaries fixed by Law Act	3 Ed. VII No. 30
1904	Alteration of Salaries fixed by Law Act	4 Ed. VII No. 26
1905	Alteration of Salaries fixed by Law Act	5 Ed. VII No. 41
1906	Alteration of Salaries fixed by Law Act	6 Ed. VII No. 4
1906	Officers' Salaries Act	6 Ed. VII No. 38
1907	Alteration of Salaries fixed by Law Act	7 Ed. VII No. 43
1908	Alteration of Salaries fixed by Law Act	8 Ed. VII No. 43
1909	Alteration of Salaries fixed by Law Act	9 Ed. VII No. 17
1910	Ministers' Salaries Act	1 Geo. V. No. 38
1910	Payment of Members' Act	1 Geo. V. No. 53
1913	Payment of Members' Act	4 Geo. V. No. 49
1918	Payment of Members' Amendment Act	9 Geo. V. No. 64
1919	Payment of Members' Act	10 Geo. V. No. 3
1923	Ministers of the Crown Act	14 Geo. V. No. 2
1927	Ministers of the Crown Act	18 Geo. V. No. 14
1927	Payment of Members' Act	18 Geo. V. No. 15
1931	Official Salaries Reduction Act	22 Geo. V. No. 2
1931	Official Salaries Reduction Act (No. 2)	22 Geo. V. No. 45
1934	Payment of Members' Act	25 Geo. V. No. 4
1934	Ministers of the Crown Act	25 Geo. V. No. 5
1934	Payment of Members' Act (No. 2)	25 Geo. V. No. 14
1934	Ministers of the Crown Act (No. 2)	25 Geo. V. No. 15
1936	Official Salaries Reduction Repeal Act	1 Ed. VII No. 25
1943	Ministers of the Crown Act	7 Geo. VI No. 36
1943	Payment of Members' (Allowances to Arthur James Tyler) Act	7 & 8 Geo. VI No. 83
1946	Payment of Members' Act	9 & 10 Geo. VI No. 50
1946	Ministers of the Crown Act	9 & 10 Geo. VI No. 51
1947	Ministers of the Crown Act	11 Geo. V. No. 51
1948	Parliamentary Salaries and Allowances Act	59/1948
1951	Parliamentary Salaries and Allowances (Adjustment) Act	73/1951
1953	Parliamentary Salaries and Allowances (Adjustment) Act	87/1953
1955	Parliamentary Salaries and Allowances Act	11/1955
1955	Parliamentary Retiring Allowances Act	59/1955
1958	Parliamentary Retiring Allowances Act	32/1958

1959	Parliamentary Retiring Allowances Act	67/1959
1961	Parliamentary Retiring Allowances Act	46/1961
1962	Parliamentary Salaries and Allowances Act	10/1962
1964	Parliamentary Retiring Allowances Act	42/1964
1968	Parliamentary Retiring Allowances Act	40/1968
1972	Parliamentary Retiring Allowances Act	11/1972
1972	Parliamentary Retiring Allowances Act (No. 2)	32/1972
1973	Parliamentary Salaries and Allowances Act	27/1973
1973	Parliamentary Superannuation Act	28/1973
1973	Parliamentary Superannuation Act (No. 2)	70/1973
1974	Parliamentary Superannuation Amendment Act	67/1974
1975	Parliamentary Salaries and Allowances Amendment Act	10/1975
1976	Parliamentary Superannuation Amendment Act	41/1976
1977	Constitution (Ministers of the Crown) Act	82/1977
1979	Parliamentary Salaries and Allowances Amendment Act	86/1979
1979	Parliamentary Superannuation Amendment Act	88/1979
1982	Parliamentary Salaries and Allowances Amendment Act	14/1982
1982	Parliamentary Superannuation Amendment Act	15/1982
1982	Constitution Amendment Act	16/1982
1983	Parliamentary Salaries and Allowances Amendment Act	21/1983
1983	Parliamentary Superannuation (Special Provision) Act	62/1983
1984	Parliamentary Salaries and Allowances Act	13/1984
1984	Parliamentary Salaries and Allowances Act (No. 2)	30/1984
1985	Parliamentary Superannuation (Special Provision) Act	41/1985
1985	Parliamentary Superannuation Amendment Act	105/1985
1985	Parliamentary Superannuation Amendment Act	1/1986
1986	Parliamentary Salaries and Allowances Amendment Act	37/1986
1986	Reduction of Salaries (Members' of Parliament and Judges) Act	74/1986
1988	Parliamentary Salaries and Allowances (Doubts Removal and Amendments) Act	22/1988
1988	Parliamentary Superannuation Amendment Act	57/1988
1989	Parliamentary Superannuation Amendment Act	42/1989
1990	Parliamentary Benefits (Superannuation and Retiring Benefits Legislation) Amendment Act	
1993	Parliamentary Salaries and Allowances Amendment Act	91/1993
1995	Parliamentary Salaries and Allowances Amendment Act	15/1995
1996	Parliamentary Salaries and Allowances Amendment Act	14/1996
2006	Parliamentary Salaries, Superannuation and Allowances Amendment Act	4/2006
2011	Parliamentary Salaries, Superannuation and Allowances Amendment Act	24/2011
2012	Parliamentary Salaries, Superannuation and Allowances Act	18/2012

Source: Tasmanian Parliamentary Research Service, 2014.

Significant Changes to Members Pay

Year/Date	Base Salary	Implemented by	Increase
1890	100 pounds		
1908	200 pounds		
1918	300 pounds		
1927	Basic pay plus allowances principle introduced.		
1948	800 pounds (Legislative Council) 880 pounds (House of Assembly)		
1955	1,382 pounds		
1962	1,850 pounds		
1967	\$4,600		
1970	\$7,200		
1973	\$10,125		40%
1974	\$12,671		23%
1975	\$16,582		30%
1976	\$18,975		14.4%
1977	\$20,625		8.6%
1978	\$22,464		8.9%
1979	\$24,106		7.3%
1980	\$25,949		7.65%
1981	\$28,621		10.1%
1982	(Frozen at 1981 level as government policy)		
1983	(Frozen at 1981 level as government policy)		
1984	\$34,630		21%
16 April 1985	\$35,530		2.5%
17 November 1985	\$36,880		3.8%
10 September 1986	\$37,782	Reduction of Salaries (Members of Parliament and Judges) Act	2.4%
16 March 1987	\$38,248	National Wage Case	\$10 p.w.
15 November 1987	\$38,248	'Reinstated' by Statutory Rule 227/1987	
16 February 1988	\$38,560	National Wage Case (<i>Gazette</i> 13 April 1988)	\$6 p.w.
1 April 1988	\$40,102	(See Chronology)	4%
15 September 1988	\$41,305	National Wage Case (<i>Gazette</i> 12 October 1988)	3%
1 January 1989	\$42,544	(<i>Gazette</i> 31 May 1989)	-

15 March 1989	\$43,064	National Wage Case (<i>Gazette</i> 31 May 1989)	\$10 p.w.
23 November 1989	\$44,356	(<i>Gazette</i> 6 December 1989)	3%
19 July 1990	\$45,687	(<i>Gazette</i> 29 August 1990)	3%
16 August 1991	\$46,829	(<i>Gazette</i> 2 October 1991)	2.5%
1 January 1994	\$65,230	Parliamentary Salaries and Allowances Amendment Act 1993 (<i>Gazette</i> January 1994)	40%
1 July 1994	\$66,208	(<i>Gazette</i> 29 June 1994)	1.5%
30 June 1995	\$67,519	(<i>Gazette</i> 2 August 1995)	2%
1996	\$67,519	(See Chronology)	-
15 May 1997	\$68,372	(<i>Gazette</i> 15 May 1997)	1.26%
1 July 1997	\$69, 733	(<i>Gazette</i> 1 July 1997)	-
1 July 2000	\$72 837	(<i>Gazette</i> 12 July 2000)	4.45%
1 July 2001	\$78,375	(<i>Gazette</i> 11 July 2001)	7.6%
1 July 2002	\$81,442	(<i>Gazette</i> 1 July 2002)	3.9%
1 July 2003	\$84,168	(<i>Gazette</i> 1 July 2003)	3.3%
1 July 2004	\$87,541	(<i>Gazette</i> 1 July 2004)	4%
1 July 2005	\$90,957	(<i>Gazette</i> 6 July 2005)	4%
1 July 2006	\$94,689	(<i>Gazette</i> 5 July 2006)	4%
1 July 2007	\$101,334	(<i>Gazette</i> 1 July 2007)	7%
1 July 2008	\$108,242	(<i>Gazette</i> 1 July 2008)	6%
1 July 2009	\$108,242	(<i>Gazette</i> 1 July 2009)	-
1 July 2010	\$111,633	(<i>Gazette</i> 7 July 2010)	3%
1 July 2011	\$113,866	(<i>Gazette</i> 14 July 2011)	2%
1 July 2012	\$116,143	(<i>Gazette</i> 4 July 2012)	2%
1 July 2013	\$118,466	(<i>Gazette</i> 3 July 2013)	2%

Notes: Salary and allowances paid twice monthly on 15th and last day of each month. Whenever a final salary figure is less than 50¢ the amount is rounded down, if over 50¢ it is rounded up. Parliamentary Salaries Act stipulates 30 June 1996 as the percentage date, and the Auditor-General must publish the figure by 14 July (effective 1 July) each year.

Source: Tasmanian Parliamentary Research Service, 2014.

Appendix 2

Parliamentary Committees – Sitting Statistics

- **Joint Standing and Select Committees**
- **Legislative Council**
 - Committees - other
- **House of Assembly**
 - Standing Committees
 - Select Committees

Source: Clerks of the House of Assembly and Legislative Council

Parliamentary Committees – Sitting Statistics

Joint Committees

Parliamentary Joint Standing Committee on Integrity

Financial Year	No. of Sitting Days	Average Duration	Total Hours
2009/10	Not applicable		
2010/11	3	54 mins	2 h 43 mins
2011/12	7	59 mins	6 h 56 mins
2012/13	8	1 h 19 mins	10 h 35 mins

Parliamentary Joint Standing Committee of Public Accounts

Financial Year	No. of Sitting Days	Average Duration	Total Hours
2009/10	13	1 h 31 mins	19 h 41 mins
2010/11	9	58 mins	8 h 45 mins
2011/12	17	1 h 23 mins	23 h 39 mins
2012/13	22	1 h 27 mins	31 h 55 mins

Parliamentary Joint Standing Committee on Public Works

Financial Year	No. of Sitting Days	Average Duration	Total Hours
2009/10	15	3 h 14 mins	48 h 33 mins
2010/11	11	2 h 4 mins	22 h 53 mins
2011/12	14	2 h 34 mins	36 h 2 mins
2012/13	19	2 h 20 mins	44 h 23 mins

Parliamentary Joint Standing Committee on Subordinate Legislation

Financial Year	No. of Sitting Days	Average Duration	Total Hours
2009/10	9	38 mins	5 h 43 mins
2010/11	13	42 mins	9 h 4 mins
2011/12	12	28 mins	5 h 43 mins
2012/13	11	33 mins	6 h 9 mins

Joint Select Committee on Ethical Conduct

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	3	8h 33m	2h 51m
2010/11	Not applicable		
2011/12	Not applicable		
2012/13	Not applicable		

Legislative Council

Committees - other

Legislative Council Committees 2009-2010

Name of Committee	No. Meetings	Hearing Days	No. Submissions	No. Witnesses
Accreditation of Building Practitioners and Administration of the Building Act 2000	3	-	-	-
Island Transport Services	11	5	42	43
Management of Tamar and Esk Rivers	5	1	-	2
Mental Health Legislative Measures	5	1	-	1
Public Hospital System	5	2	-	10
Public Sector Executive Appointments	2	1	-	8
Recreational Marine Fishing in Tasmania	-	-	-	-
Road Safety	13	2	2	3
Estimates Committee A	7	4	-	-
Estimates Committee B	6	4	-	-
Government Businesses Scrutiny A	4	1	-	-
Government Businesses Scrutiny B	4	1	-	-
ERD: Shack Sites	8	5	-	35
Tourism	6	3	16	21
Violence in the Community	1	-	1	-

Legislative Council Committees 2010-2011

Name of Committee	No. Meetings	Hearing Days	No. Submissions	No. Witnesses
Island Transport Services	5	1	-	3
Public Sector Executive Appointments	2	1	-	8
Recreational Marine Fishing in Tasmania	1	-	-	-
Estimates Committee A	7	4	-	-
Estimates Committee B	5	4	-	-
Government Administration Committee A	21	8	33	33
Government Administration Committee B	2	-	-	-
Government Businesses Scrutiny A	4	3	-	-
Government Businesses Scrutiny B	6	1	-	-
PV Fortescue	7	2	3	5
Tourism in Tasmania	18	6	3	30
Violence in the Community	6	4	13	22

Legislative Council Committees 2011-2012

Name of Committee	No. Meetings	Hearing Days	No. Submissions	No. Witnesses
Public Sector Executive Appointments	2	-	-	-
Recreational Marine Fishing in Tasmania	2	1	-	1
Estimates Committee A	7	4	-	-
Estimates Committee B	6	4	-	-
Government Administration Committee A (including Cost Reduction Strategies in the Health Department – Sub Committee)	46	22	31	72

2011 -2012 continued

Government Administration Committee B (including Integrated Transport Options for Southern Tasmania)	17	6	9	16
Government Businesses Scrutiny A	5	1	-	8
Government Businesses Scrutiny B	6	1	-	14
PV Fortescue	3	1	-	4
Violence in the Community	6	5	-	15

Legislative Council Committees 2012-2013

Name of Committee	No. Meetings	Hearing Days	No. Submissions	No. Witnesses
Estimates Committee A	7	4	-	-
Estimates Committee B	7	4	-	-
Government Administration Committee A (including Cost Reduction Strategies in the Health Department – Sub Committee)	7	2	12	14
Government Administration Committee B (including Integrated Transport Options for Southern Tasmania)	37	14	65	52
Government Businesses Scrutiny Committee A	4	1	-	15
Government Businesses Scrutiny Committee B	6	1	-	11
Inquiry into PV Fortescue	2	-	-	-
Preventative Health Care	2	-	41	-
Recreational Marine Fishing in Tasmania	-	-	-	-
Rural Road Speed Limits	4	2	41	13
Tasmanian Forests Agreement Bill 2012	8	12	136	50
Tasmanian Poppy Industry	4	2	7	8
Violence in the Community	2	-	-	-

House of Assembly

Standing Committees

Standing Committee on Community Development

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	11	16h 56m	1h 32m
2012/13	5	2h 5m	49m

Standing Committee on Environment, Resources and Development

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	3	50m	16m
2012/13	5	14h 36m	2h 55m

Select Committees

Select Committee on the Costs of Housing, Building and Construction in Tasmania

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	10	41h 22m	4h 8m
2011/12	8	13h 53m	1h 44m
2012/13	10	16h 3m	1h 36m

Select Committee on the Costs of Living

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	5	10h 10m	2h 2m
2012/13	3	5h 3m	1h 41m

Select Committee on Forest Industry Exit Packages

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	Not applicable		
2012/13	2	42m	21m

Select Committee on the Gaming Control Amendment Bill 2010 (\$1 Bet Limit)

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	7	15h 24m	2h 12m
2011/12	3	5h 11m	1h 43m
2012/13	4	1h 29m	22m

Select Committee on the Role and Future Viability of TOTE Tasmania

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	14	30h 11m	2h 9m
2012/13	1	15m	15m

Select Committee on Scottsdale Sawmills

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	5	10h 45m	2h 9m
2011/12	0	0	0
2012/13	2	36m	18m

**Select Committee on Subordinate Legislation (Miscellaneous Amendments)
Bill 2010**

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	Not applicable		
2011/12	1	17m	17m
2012/13	2	32m	16m

Select Committee into the Tasmanian Water and Sewerage Corporations

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	11	28h 49m	2h 49m
2011/12	6	13h 1m	2h 10m
2012/13	Not applicable		

Select Committee on Child Protection

Financial Year	Number of Meetings	Total Meeting Hours	Average Duration
2009/10	Not applicable		
2010/11	14	62h 34m	4h 28m
2011/12	8	39h 52m	4h 59m
2012/13	Not applicable		

Appendix 3

Cost of Various Allowances 1997/98 to 2012/13

Appendix 3

Cost of Various Allowances 1997/98 to 2012/13

	Sitting fee	Electorate	Entertainment	Telecommunications	Prof dev	Bass Strait	Travel	I/S air	Km.	Motor vehicle
97/98	24500	889045	16843	79372	45268	7675	223287	1619	105706	
98/99	10332	738739	16843	72761	85779	4194	208704	1820	87798	
99/00	14112	689116	16843	63303	75615	4298	194001	1940	85641	
00/01	16092	699095	16843	60873	83330	3074	206046	1500	87981	
01/02	25773	697811	16843	56751	77112	4802	195158	1500	88486	
02/03	24272	699110	16843	63330	52524	5568	182344	5925	67107	
03/04	33778	698800	16843	54681	69083	6031	207028	2184	75529	
04/05	33307	697542	16843	66057	47117	5473	189619	2075	68211	
05/06	17814	699099	16843	75343	49075	3235	125774	2010	41090	
06/07	33094	1226000	9468	67168		1920	260234			486686
07/08	32807	1310929	10134	72722		2910	218057			553772
08/09	33388	1398563	10824	88515		2254	328915			675343
09/10	36744	1399168	10824	83377		6675	254515			677110
10/11	18416	1443694	11203	62101		3856	315165			673911
11/12	28966	1498692	11386	64742		1714	334980			596136
12/13	33599	1531336	11341	49057		3844	359799			618194

Source: Clerks of the Legislative Council and House of Assembly

Total Cost of Allowances 1997/8 to 2012/13

1997/98	1 391 515
1998/99	1 225 170
1999/00	1 143 069
2000/01	1 173 034
2001/02	1 164 236
2002/03	1 117 023
2003/04	1 163 957
2004/05	1 092 937
2005/06	1 030 283
2006/07	2 084 570
2007/08	2 201 331
2008/09	2 537 802
2009/10	2 468 413
2010/11	2 528 346
2011/12	2 536 616
2012/13	2 607 170

Source:

Clerk of the Legislative Council

Clerk of the House of Assembly