



TASMANIA

**Report into Parliamentary Salaries and Allowances
including a Determination**

by

The Full Bench of the Tasmanian Industrial Commission

under

Part 3 of the *Parliamentary Salaries, Superannuation and Allowances Act 2012*

Members

Tim Abey (President)

Nicole Wells (Deputy President)

Michael Roberts (Commissioner)

February 2016

Report into Parliamentary Salaries and Allowances including a Determination by the Full Bench of the Tasmanian Industrial Commission under Part 3 of the *Parliamentary Salaries, Superannuation and Allowances Act 2012* – February 2016

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Preamble

This Report into Parliamentary Salaries and Allowances has been undertaken by the Full Bench of the Tasmanian Industrial Commission under Part 3 of the *Parliamentary Salaries, Superannuation and Allowances Act 2012* (the 2012 Act).

In accordance with sections 3C and 3E of the 2012 Act, the Commission has conducted an Inquiry into the basic salary payable to each member of Parliament, the kinds of, and amounts of, any additional salary payable to members of Parliament holding specified offices, and the kinds of, and amounts of, allowances and benefits payable to each member of Parliament.

Section 3D of the 2012 Act provides that the Commission must, after conducting an Inquiry, prepare a Report.

As required by the 2012 Act, this Report includes:

- (1) The **information** that the Commission thinks fit in respect of its Inquiry;
- (2) The Commission's **recommendations** in relation to the matters it is required to inquire into, which for the purpose of this Inquiry under section 3E(2) of the 2012 Act includes the report dated 30 May 2014 of the Tribunal established by an Order-in-Council made on 26 June 2013 to inquire into the basic salary, allowances and benefits provided to members of Parliament; and
- (3) The Commission's **Determination** in relation to the matters it is required to determine.

The 2012 Act also requires the Commission to inquire into any matter specified in a written notice by the Minister responsible for the 2012 Act (the Premier), with such notice required to be tabled in both Houses of Parliament. In relation to this Inquiry no notice was received from the Minister.

The 2012 Act requires that this Report be provided to the Clerk of each House of Parliament before 1 March 2016.

Glossary of Frequently Used Terms

ABS: Australian Bureau of Statistics

ANMF (Tas): Australian Nursing and Midwifery Federation (Tasmanian Branch)

ATO: Australian Taxation Office

AWE: Average Weekly Earnings

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

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

Basic salary: The basic salary paid to each MP pursuant to Schedule 1 to the 2012 Act

Commonwealth 2011 Report: *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 (SPSFT) Inc.

Commission: A Full Bench of the Tasmanian Industrial Commission comprising Abey T, Wells N, Roberts M

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

FTE: Full-Time Equivalent

Gazette: The Tasmanian Government Gazette published under the authority of the Government of Tasmania

MP: Member of the Tasmanian 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

SES: Senior Executive Service of the Tasmanian State Service

SSMO: State Service Management Office, part of the Tasmanian Government's Department of Premier and Cabinet

Tribunal: Parliamentary Salaries and Allowances Tribunal, established by an Order-in-Council dated 26 June 2013 to inquire into the basic salary, allowances and benefits provided to MPs, comprising Abey T, Wells N, Deegan B

TSSA: Tasmanian State Service Award

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

1973 Act: *Parliamentary Salaries and Allowances Act 1973*

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 P, Abey T, McAlpine J, 21 August 2006

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

2012 Bill: Parliamentary Salaries, Superannuation and Allowances Bill 2012, as originally introduced into the Parliament

2013 Issues Paper: *Review of Parliamentary Salaries and Allowances Issues Paper*, October 2013, to facilitate submissions to the Tribunal

2014 Report: *Report of the Parliamentary Salaries and Allowances Tribunal Inquiring into Basic Salary, Allowances and Benefits provided to Members of the Tasmanian Parliament*, Abey T, Wells N and Deegan B, 30 May 2014

2015 Act: *Parliamentary Salaries, Superannuation and Allowances Amendment Act 2015*

2015 Issues Paper: *Inquiry into Parliamentary Salaries and Allowances by the Full Bench of the Tasmanian Industrial Commission Issues Paper*, September 2015, to facilitate submissions to the Commission



TASMANIA

Determination

This Determination is made in accordance with section 3D(1)(d) of the *Parliamentary Salaries, Superannuation and Allowances Act 2012* (the 2012 Act).

As the Commission we determine the following:

1 Basic Salary

1.1 Basic Salary (refer clause 5 of Part 1 of Schedule 1 to the 2012 Act)

- (1) From 1 July 2016 to 30 June 2017, the amount of the basic salary to be paid to each member of Parliament is to be \$133 560 pa.
- (2) From 1 July 2017 to 30 June 2018, the amount of the basic salary to be paid to each member of Parliament is to be \$133 560 pa plus either:
 - (a) an amount equal to \$133 560 multiplied by the increase in the 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 the December 2016 quarter, or
 - (b) \$0 should that Index not increase in that period.

2 Additional Salary

2.1 Additional Salary (refer clause 3 of Part 2 of Schedule 1 to the 2012 Act)

- (1) From 1 July 2016 to 30 June 2018, the amount of the additional salary to be paid to the Premier, Deputy Premier, Ministers of the Crown, Secretary to Cabinet and Certain Officers of the Parliament is the percentage of basic salary specified opposite the office in the following table (Table A).

Table A - Additional Salary from 1 July 2016 to 30 June 2018 for MPs who are holders of offices specified in Table 1 of Part 2 of Schedule 1 to the 2012 Act ¹

Office	Additional Salary (percentage of basic salary)
Premier	115
Deputy Premier	82
Minister	70
Secretary to Cabinet	30

¹ For the period of this Determination or until the date when the next Determination takes effect, whichever is later, Table A applies in lieu of Schedule 4 to the 2012 Act (albeit the amounts of additional salary are unchanged).

Office	Additional Salary (percentage of basic salary)
<i>Legislative Council</i>	
President	35
Leader for the Government	70
Chair of Committees	20
Deputy Leader for the Government	35
<i>House of Assembly</i>	
Speaker	35
Chair of Committees	20
Leader of the Opposition	70
Deputy Leader of the Opposition	35
Government Whip	6
Opposition Whip	6

2.2 Additional Salary (refer clause 5 of Part 2 of Schedule 1 to the 2012 Act)

- (1) From 1 July 2016 to 30 June 2018, the amount of the additional salary to be paid to the holder of an office specified in Table 2 of Part 2 of Schedule 1 to the 2012 Act is the percentage of basic salary specified opposite the office in the following table (Table B).

Table B – Additional Salary from 1 July 2016 to 30 June 2018 for MPs who are the holder of an office specified in Table 2 of Part 2 of Schedule 1 to the 2012 Act²

Office	Additional Salary (percentage of basic salary)
Leader of a recognised non-government party, other than the Opposition	35

² For the period of this Determination or until the date when the next Determination takes effect, whichever is later, Table B applies in lieu of Schedule 5 to the 2012 Act (albeit the amount of additional salary is unchanged).

3 Allowances³
(refer clause 1(3) of Schedule 2 to the 2012 Act)

3.1 Motor Vehicle Allowance

- (1) From 1 July 2016 to 30 June 2017, the amount of the Motor Vehicle Allowance is \$15 613 pa.
- (2) From 1 July 2017 to 30 June 2018 the amount of the Motor Vehicle Allowance is to be \$15 613 pa plus either:
 - (a) an amount equal to \$15 613 multiplied by the increase in the Consumer Price Index, Hobart, All Groups (ABS Catalogue 6401.0) for the twelve months preceding the December 2016 quarter, or
 - (b) \$0 should that Index not increase in that period.

3.2 Electorate Allowance

- (1) From 1 July 2016 to 30 June 2017, the amount of the Electorate Allowance to be paid to a member of Parliament is the amount in the following table (Table C) specified opposite the electorate to which that member is elected.

Table C –Electorate Allowance for period 1 July 2016 to 30 June 2017

	Electorate(s)	Allowance (per annum)
<i>Legislative Council</i>		
Group 1	Apsley	\$49 447
Group 2	Murchison, Western Tiers	\$45 541
Group 3	Derwent, Huon	\$39 035
Group 4	Montgomery, Rumney	\$36 434
Group 5	Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart	\$31 229
<i>House of Assembly</i>		
	Bass	\$42 940
	Braddon	\$46 843
	Denison	\$31 229
	Franklin	\$37 735
	Lyons	\$52 050

³ For the period of this Determination or until the date when the next Determination takes effect, whichever is later, the allowances defined in paragraphs 3.1 to 3.7 of the Determination apply instead of clauses 1 to 8 of Schedule 6 to the 2012 Act.

- (2) From 1 July 2017 to 30 June 2018, the amount of the Electorate Allowance to be paid to a member of Parliament is the amount in Table C specified opposite the electorate to which that member is elected plus either:
- (a) an amount equal to that amount multiplied by the increase in the Consumer Price Index, Hobart, All Groups (ABS Catalogue 6401.0) for the twelve months preceding the December 2016 quarter, or
 - (b) \$0 should that Index not increase in that period.

3.3 Committee Sitting Fees

From 1 July 2016 to 30 June 2018, there is payable to the Chair of a Committee, for each day on which the Chair attends a summoned meeting of that Committee at which a quorum is present, a sitting fee calculated on a daily basis, irrespective of the number of meetings, at the rate of 0.12% of the annual amount of the basic salary for the time being.

3.4 Telecommunications Allowance

From 1 July 2016 to 30 June 2018:

- (1) There is payable to each member of Parliament a Telecommunications Allowance.
- (2) The Telecommunications Allowance is to be paid by way of reimbursement of 90% of all charges for a mobile phone, except as outlined in subclause (3).
- (3) The Telecommunications 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 paid by way of reimbursement of 100% of all charges for a mobile phone.

3.5 Entertainment Allowance

- (1) From 1 July 2016 to 30 June 2018, there is payable to a person holding an office specified in the first column of Table D an Entertainment Allowance of an amount equivalent to the percentage of the basic salary as specified in the second column.

Table D – Entertainment Allowance

Column 1 Office	Column 2 (% of basic salary)
Premier	12
President of the Legislative Council	6
Speaker of the House of Assembly	6

3.6 Away from Home Travelling Allowance

From 1 July 2016 to 30 June 2018:

- (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 allowance referred to in subclause (2) or the reimbursement of actual expenses referred to in subclause (3).

3.7 Bass Strait Islands Travelling Allowance

From 1 July 2016 to 30 June 2018:

- (1) There is payable to any member of Parliament travelling to the Bass Strait Islands on official parliamentary business a Bass Strait Islands Travelling Allowance.
- (2) The Bass Strait Islands Travelling Allowance is payable by way of reimbursement of expenses incurred by members of Parliament.

4 Date of Effect

The date on which this Determination takes effect is 1 July 2016.

5 Date of Ceasing to have Effect

The date on which this Determination ceases to have effect is 30 June 2018.⁴

6 Date of Next Inquiry and Report

The date by which a report is to be provided to the Clerk of each House of Parliament in relation to a further inquiry by the Commission in accordance with section 3C(1) of the 2012 Act is 1 March 2018.

Tim Abey
(President)
29 February 2016

Nicole Wells
(Deputy President)

Michael Roberts
(Commissioner)

⁴ However, note that clauses 5(b) of Part of 1 of Schedule 1, 3(b) and 5(b) of Part 2 of Schedule 1 and 3(b) of Schedule 2 to the 2012 Act provide that, if before 30 June 2018

(i) a determination in relation to a period commencing 1 July 2018 has not been laid before both Houses; or
(ii) a determination in relation to a period commencing 1 July 2018 has been laid before both Houses but the period in which it may be disallowed by a House under section 3G of the 2012 Act has not expired;
or

(iii) a determination in relation to a period commencing 1 July 2018 has been disallowed by both Houses under section 3G of the 2012 Act

the basic salary, additional salary and allowances to which a member of Parliament is entitled under this determination continue to have effect until a new determination takes effect.

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Information and Recommendations

1 Introduction

The *Parliamentary Salaries, Superannuation and Allowances Act 2012* (the 2012 Act) provides for the basic salary of Members of the Tasmanian Parliament (MPs).

It also provides for additional salary payable to some MPs for the various offices to which they are appointed (eg President of the Legislative Council, Speaker of the House of Assembly, Minister of the Crown, etc). These are specified in Part 2 of Schedule 1 to the 2012 Act.

Further, there is a range of allowances and benefits specified in Schedule 2 to the 2012 Act to which MPs may be entitled.

Until 13 July 2015, the 2012 Act did not provide a mechanism by which the salaries and allowances could be varied. The salaries and allowances were 'frozen' at the levels that were in effect from 1 July 2013.

The 2012 Act did provide for a Tribunal⁵ established by an Order-in-Council dated 26 June 2013 to review the basic salary and allowances payable to MPs. The Tribunal was established and it did prepare a report of its review (the 2014 Report).⁶

The 2014 Report was tabled in Parliament on 3 June 2014. The 2014 Report made recommendations about the basic salary to be applicable from 1 July 2014 and 1 January 2015 and included a proposed approach to future adjustments. It also made recommendations about the current allowances and the establishment of a new allowance – a Resettlement Allowance.

These recommendations were not implemented. Any implementation required amendment to the 2012 Act. Neither the Government nor an individual MP introduced any amending legislation for that purpose.

However, an Amendment Act, the *Parliamentary Salaries, Superannuation and Allowances Amendment Act 2015* (the 2015 Act), was passed by the Parliament and received Royal Assent on 13 July 2015.

The amendments provided for by the 2015 Act set the basic salary of an MP at \$120 835 pa from 1 July 2015 and established that a Full Bench of the Tasmanian Industrial Commission (the Commission) must from then on periodically inquire into, report on and make determinations about the salaries and allowances to which MPs are entitled.

Any future amounts of the basic salary, additional salaries and allowances of MPs after 30 June 2016 are to be determined by the Commission.

The first report of the Commission, including a determination about these matters, is required to be tabled in Parliament by 1 March 2016. This document is that first report.

Unlike the recommendations of the Tribunal, a determination of the Commission under the 2012 Act will be implemented automatically unless, within 10 sitting-days of the determination being tabled in the Parliament (or within a longer period if a House so resolves), both Houses pass a resolution requesting that the determination be disallowed (and so not be implemented).

⁵ This Tribunal was similar to and had been preceded by other Panels, Tribunals and Committees of Review established in 1995, 1999 and 2006 for similar purposes.

⁶ *Report of the Parliamentary Salaries and Allowances Tribunal Inquiring into Basic Salary, Allowances and Benefits provided to Members of the Tasmanian Parliament*, Abey T, Wells N and Deegan B, 30 May 2014.

If a determination is not disallowed, the Commission will gazette a notice setting out the determination which will specify the amounts of the basic salary, additional salary payable to the Premier, Deputy Premier, Ministers of the Crown, Secretary to Cabinet and Certain Officers of the Parliament, and the allowances and benefits to which MPs are entitled.

If a determination does not come into effect when it is due to, because it has not been made, or the disallowance period has not expired, or it has been disallowed, the basic salary, additional salary, and the allowances and benefits to which MPs are entitled, immediately before the determination was due to take effect, continue until a new determination is made.

If a determination is disallowed, the Commission has 12 months from the date of disallowance to make a new determination.

The members of the Commission for the purpose of conducting this inquiry, preparing the report and making the first determination are Tim Abey (President of the Commission), Nicole Wells (Deputy President) and Michael Roberts (Commissioner).

2 Matters to be Determined

The 2012 Act as amended by the 2015 Act provides⁷ for the Commission to:

- (i) Review and determine the amount of basic salary payable to an MP,
- (ii) Review and determine the amounts of any additional salary payable to the Premier, Deputy Premier, Ministers of the Crown, Secretary to Cabinet and Certain Officers of the Parliament provided for in Part 2 of Schedule 1 to the 2012 Act,
- (iii) Consider if there are any other offices of the Parliament not currently provided for in Part 2 of Schedule 1 to the 2012 Act that the Commission may decide are required to be paid additional salary and determine the amounts of any additional salary payable for such offices,
- (iv) Review the entitlements of, and benefits to, MPs provided for in Schedule 2 to the 2012 Act (ie Motor Vehicle Allowance; Electorate Allowance; Committee Sitting Fees; Telecommunications Allowance; Entertainment Allowance; Away From Home Travelling Allowance; Bass Strait Islands Travelling Allowance; and Taxi Allowance) including whether they remain appropriate to the needs of MPs, and determine the amounts of those allowances and benefits still considered appropriate,
- (v) Consider whether there are any new entitlements, allowances or benefits considered appropriate to the current needs of MPs and make recommendations about the amounts of such entitlements, allowances and benefits.

Under the 2012 Act, the Premier also may require that some matters related to the matters listed above be considered by the Commission as part of its inquiry. The Commission must inquire into these related matters. Any requirement from the Premier must be tabled in Parliament.⁸

No requirement was received from the Premier in relation to this inquiry and determination.

In making its first determination the Commission is to also inquire into and report on the 2014 Report.⁹

⁷ See sections 3C(1) and (2) of the 2012 Act.

⁸ See sections 3C(3), (4) and (5) of the 2012 Act.

In making a determination the Commission is to also specify a due date for the next determination to be made.¹⁰ The period of a determination may extend beyond one year (but not be for a lesser period).

3 The 2014 Report

The 2014 Report is available at www.tic.tas.gov.au

The key recommendations contained in that report were:

Basic Salary

- (i) The basic salary to be: \$124 000 pa from 1 July 2014 and \$128 000 pa from 1 January 2015.
- (ii) From 1 July 2015 and 1 July 2016, the basic salary be adjusted in line with movements in the Wage Price Index (WPI) for Tasmania.
- (iii) In 2016-17 there be further review by an independent tribunal, with a view to any changes taking effect from 1 July 2017.

Motor Vehicle Allowance

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

Telecommunication Allowances

- (i) The existing arrangements in relation to the provision of equipment and reimbursement of 80 per cent of mobile telephone charges to continue.
- (ii) The existing arrangement for home landline telephone services to be replaced with an allowance of \$50 per month.

Committee Sitting Fees

- (i) Sitting fees for members of Standing Committees to be abolished from 1 July 2014.
- (ii) Sitting fees for Committee Chairs to continue but include the Chairs of all Standing and Select Committees.

Away From Home Travelling Allowances

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

Bass Strait Travelling Allowance

This allowance to continue unchanged.

Taxi Allowance

This allowance to be abolished.

Entertainment Allowance

This allowance to continue unchanged.

⁹ See section 3E(2) of the 2012 Act.

¹⁰ See sections 3D(2)(f) and (g) of the 2012 Act.

Electorate Allowance

Existing allowances to be increased by 2.76 per cent effective from 1 July 2014 and in future be adjusted in line with the CPI rather than the basic salary.

Resettlement Allowance

Introduce a new Resettlement Allowance to provide for the payment of 12 weeks' salary to eligible MPs defeated at a General Election, or who lose party endorsement. To be eligible, an MP must meet the following criteria:

- (i) An MP must have served at least one full term immediately prior to an election and be defeated at a subsequent election or lose party endorsement.
- (ii) An MP elected at a by-election or a recount will not be eligible until they have served at least one full term.
- (iii) An MP who chooses to resign from one House or electorate and nominate for another House or electorate (other than as a consequence of electoral reform) and is subsequently defeated is not eligible for the Resettlement Allowance.

As mentioned above, the recommendations contained in the 2014 Report were not implemented. Without specific amendment to the 2012 Act the recommendations of the 2013 Tribunal about salaries and allowances had no legal effect.

The 2012 Act requires that the first inquiry and report of the Commission under that Act must include consideration of the 2014 Report.

The 2014 Report, and an Issues Paper (the 2013 Issues Paper)¹¹ that preceded it, contain some significant research material which was still relevant to the current inquiry. In particular the 2014 Report considered:

- (i) The history of salary determination for Tasmanian MPs,
- (ii) A discussion of the role of an MP,
- (iii) The history of changes to the basic salary,
- (iv) A discussion about appropriate mechanisms for adjustments to the basic salary,
- (v) Comparative information about salaries, and
- (vi) Activity indicators and statistical information.

Individuals and organisations intending to make submissions to the Commission were referred to this report as useful background information.

4 Process and Methodology

The Commission published an Issues Paper in September 2015 (the 2015 Issues Paper)¹² which outlined the recent history of salary determinations for MPs, discussed the issues under consideration, restated some of the research material and discussion from, and the recommendations of, the 2014 Report and invited submissions from individuals and organisations.

¹¹ *Review of Parliamentary Salaries and Allowances Issues Paper*, October 2013.

¹² *Inquiry into Parliamentary Salaries and Allowances by the Full Bench of the Tasmanian Industrial Commission Issues Paper*, September 2015.

The 2015 Issues Paper was placed on the Commission's website and was mailed to various employer and employee organisations and all members of the Tasmanian Parliament.

Public notices were placed in the three daily newspapers on 26 September 2015 drawing attention to the Inquiry, the 2015 Issues Paper and the capacity to lodge a submission. A similar notice appeared in the *Gazette* on 30 September 2015.

Submissions could be made in writing, in person, or both. The closing date for written submissions was 23 October 2015, though the Commission did accept two late submissions.

The default position was that submissions would be public (ie published on the website), unless the individual or organisation lodging the submission requested confidentiality. All submissions were made available on the website, but the contact details of the authors of some submissions were suppressed.

The Commission offered to hear any oral submissions in person in the week of 2 November 2015. No individual or organisation sought to make an oral submission.

A total of 10 written submissions were received.¹³ (See Appendix 1)

The Commission also met with the Clerk of the Legislative Council and the Clerk of the House of Assembly to seek factual information and clarification on operational matters related to parliamentary salaries and allowances.

5 The Basic Salary

5.1 Information

The basic salary is provided for in the 2012 Act¹⁴ and is the base-level salary paid to all MPs excluding any additional payments such as ministerial loadings, superannuation, and electorate or other allowances.

As of 1 July 2015, the basic salary is \$120 835 pa. Prior to the 2015 Act the basic salary was fixed at \$118 466 pa, which was set from 1 July 2013.

The history of changes to the basic salary from 1996 to 2015 is shown at Appendix 2.

The Tribunal prefaced the 2014 Report with the following observation:

" 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 endeavoured 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.

¹³ As an aside, this compares with a total of 21 (written and oral) submissions received by the Tribunal in relation to its inquiry which led to the 2014 Report.

¹⁴ See Part 1 of Schedule 1 to the 2012 Act.

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

The 2014 Report determined a basic salary of \$128 000 pa effective from 1 January 2015. In reaching this conclusion, the Tribunal took into account a range of issues including:

- (i) The role of an MP,
- (ii) Salary relativity with other State and Territory Parliaments,
- (iii) Salary movements for Tasmanian MPs compared with CPI and WPI,
- (iv) Salary comparison with selected State Service positions,
- (v) Population demographics and budget outlays, and
- (vi) Activity indicators.

As is required by the 2012 Act, the Commission is required to revisit the 2014 Report¹⁵, and that will include testing the factors listed above against the circumstances prevailing today.

All submissions received by the Commission considered an appropriate approach to the determination of the basic salary. There was a range of views.

Mr Boglio disagrees with the recommended salary of \$128 000 pa from January 2015, as it attempts to align with salaries in the wider community, and it is not performance based. He submits that:

" All salaries in the community are linked to an indication of performance, therefore the salary of politicians should be linked to some indication of their performance as administrators of the public purse funds and as lawmakers impacting on the social and environmental health of the country."

The **Labor Opposition** and **Tasmanian Greens** both submit that the basic salary should be linked to the Public Service and aligned with a specified reference salary/classification level.

Unions Tasmania, the **CPSU** and the **ANMF (Tas)** consider the basic salary recommended in the 2014 Report to be sound and that salary should then be used to create a nexus between the basic salary of an MP with the basic salaries of the members of the other State and Territory parliaments.

5.1.1 Role of an MP

The 2013 Issues Paper and the 2014 Report considered the role of an MP. Relevant sections from these documents are reproduced at Appendix 3.

The 2014 Report found that the role of an MP was broadly similar to that of other State and Territory Parliaments, but less similar to the Commonwealth.

The 2014 Report made the following observations about the role of a member of Parliament¹⁶:

" 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."

¹⁵ See section 3E(2) of the 2012 Act.

¹⁶ See paragraphs 4.2.1 and 4.2.2 of the 2014 Report.

The role of an MP has been discussed in a number of publications including the Egan Report¹⁷ and more recently the Queensland Independent Remuneration Tribunal Determination (Queensland Determination No 1/2013).¹⁸ The work can be categorised into three components:

- *Parliamentary work,*
- *Electorate representation, and*
- *Engagement with a political party (if a member)."*

The then State Government also made a submission to the Tribunal about the role of an MP.

Taking account of that submission, and the Egan Report and Queensland Determination 1/2013 (referenced in the 2014 Report), the role of an MP can be described as:

- (i) A representative of the people in their electorate who must play an active role in their community - listening and providing advice and assistance to, and advocating for, individual constituents,
- (ii) Providing a direct link between their electorate and the Parliament,
- (iii) Advocating on behalf of their constituency as a whole,
- (iv) Contacting and supporting the communities within their electorate and acting as a lobbyist for local interest groups,
- (v) Performing parliamentary functions as a member of the House of Assembly or Legislative Council, such as debating legislation and participating in general debates, 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,
- (vi) Serving on parliamentary committees, as required, to examine specific issues and legislation that comes before the Parliament,
- (vii) Participating in internal party processes and meetings, and being a communicator for their party's policies, where applicable, and
- (viii) Promoting Tasmania and advocating on behalf of the State.

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;*

¹⁷ *The Attributes, Role and Reward of a Backbencher in the Federal Parliament*, Egan Associates, November 2011.

¹⁸ *Building a New Remuneration Structure for Members of the Queensland Parliament*, Queensland Independent Remuneration Tribunal, Determination 1/2013 15 October 2013.

- *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."

We were not provided with any compelling evidence that the role of an MP has changed from that described in the 2014 Report.

Mr Lindsay in his submission is concerned that all members were to be paid the same basic salary on the untested presumption that each is doing the same work. He suggests that there be an examination of the 'basic work' of MPs with the prospect of different basic salaries for individuals if it was found that there was some variability in the basic work of members.

This type of analysis has not been attempted in any other jurisdiction (to our knowledge) and there is no evidence to suggest that it is warranted in the case of MPs.

It may also be beyond our remit, as the 2012 Act only provides for one basic salary applicable to all MPs.

Mr Chugg submits that the reduced number of members in 1996 has resulted in an increased workload for which some weight should be given in assessing a fair remuneration. He argues that Tasmania has the same responsibilities as the larger states and the same high level of governance is expected or demanded.

He states:

" Indeed it could be argued that the small size, particularly of population, imposes significant demands on our elected representatives to be innovative and skillful at a higher level than their interstate counterparts..."

We consider that, if the reduced numbers did result in an increased workload (which seems likely), it happened too long ago to be a valid consideration in terms of a change in work value relevant for the purposes of the current Inquiry. It is arguable that any change was taken into account in salary reviews closer to the change and to take this into account now would amount to double counting.

We are satisfied that since the 2014 Report there has been no material change in the role of an MP, its work value or the consistency of that role with the work of members of other State and Territory parliaments.

We conclude that the Tribunal findings in the 2014 Report in relation to the role of an MP remain valid.

5.1.2 Salary Relativity with other State and Territory Parliaments

Table 3 of the 2014 Report provided a comparative analysis of the basic salary across the Australian Parliamentary Jurisdictions as at 30 June 1996 and 1 July 2013.

The 2014 Report found that, while the basic salary in Tasmania has historically been lower than the other State and Territory jurisdictions, it was clear that Tasmania had lost significant relativity over the period, going from a position 11.3% below the average in 1996 to 20.8% below in 2013.

The following table (Table 1) identifies the current basic salary of members of Australian parliaments, and summarises the means by which that salary is determined.

Table 1 Comparison of current basic salary of members of Australian parliaments

Jurisdiction	Basis of current determination	Basic salary Current \$pa
Commonwealth	The <i>Remuneration and Other Legislation Amendment Act 2011</i> (Cmwlth) requires the Remuneration Tribunal determine base salary for members of Parliament. On 9 December 2015 the Tribunal issued Determination 2015/22 which set the base salary for MHRs and Senators at \$199 040 to a 2% increase on the base salary of \$195 130 set by determination 2014/10 and confirmed by determination 2015/06 in May 2015.	199 040
Australian Capital Territory	Determined by the ACT Remuneration Tribunal under the <i>Remuneration Tribunal Act 1995</i> (ACT). The current Determination is number 7 of 2015 dated 25 September 2015. The Remuneration Tribunal also released a report on the review of entitlements for members of the Australian Capital Territory Legislative Assembly in April 2014.	136 758
New South Wales	The <i>Parliamentary Remuneration Act 1989</i> (NSW) establishes the Parliamentary Remuneration Tribunal. The Tribunal determines salaries up to the amount prescribed in the government's wages policy. The most recent Determination is contained in the 2015 Annual Report and Determination, 28 August 2015.	153 280
Northern Territory	The basic salary of Assembly members is determined by the NT Remuneration Tribunal under the <i>Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act</i> (NT). Prior to amendments in April 2015 the basic salary was tied to the annual rate of increase in the salary of NT Public Service (NTPS) employees. Current determination - No 1 of 2015 dated 29 July 2015.	153 312
Queensland	The <i>Parliament of Queensland and Other Acts Amendment Act 2015</i> changed the power of the Queensland Independent Remuneration Tribunal established under the <i>Queensland Independent Remuneration Tribunal Act 2013</i> to determine the basic salary. A determination now may not increase the basic salary by a rate that is higher than the rate of increase to the salary or wage of public service employees. Current determination is 10/2016 dated 12 January 2016 which set the basic salary as at 1 Sept 2015.	151 425

Jurisdiction	Basis of current determination	Basic salary Current \$pa
South Australia	<p>The <i>Parliamentary Remuneration Act 1990</i> (SA) describes the linkage with federal base salary and establishes the SA Remuneration Tribunal which determines other entitlements. The most recent (29 October 2015) amendment, the <i>Parliamentary Remuneration (Determination of Remuneration) Amendment Act 2015</i> (SA), provides that the SA MPs basic salary will be \$42 000 less than federal base salary plus a common allowance determined each year by the SA Remuneration Tribunal.</p> <p>On 15 December 2015 the Tribunal determined the common allowance effective from 1 January 2016 to be \$30 294 (comprising \$17,124 to compensate for loss of travel allowance and \$13 170 for service on parliamentary committees)</p>	170 210 ¹⁹ (157 040)
Tasmania	<p>The <i>Parliamentary Salaries, Superannuation and Allowances Act 2012</i> (Tas) as amended in 2015 sets the basic salary from 1 July 2015 at \$120 835.</p> <p>The Act provides for the future determinations of basic salary (and other salaries and allowances) to be undertaken by a full bench of the Tasmanian Industrial Commission. Determinations are subject to disallowance if both Houses of Parliament so decide.</p>	120 835
Victoria	<p>The <i>Parliamentary Salaries and Superannuation Act 1968</i> (Vic), sets a Victorian MP's salary as \$140,973 from 1 July 2013 with an increase of 2.5% from 1 July 2014. From 1 July 2015 salary is adjusted each year by the relevant index published by the ABS on Victorian adult average weekly ordinary time earnings.</p>	145 277
Western Australia	<p>As determined by WA Salaries and Allowances Tribunal (established by the <i>Salaries and Allowances Act 1975</i> (WA))</p> <p>The most recent determination of the Salaries and Allowances Tribunal for the Remuneration of Members of Parliament was on 23 June 2015</p>	154 223

Table 2 shows the change in the basic salary levels for members of the various Australian parliaments since 1996.

Table 2 Comparison of basic salary for each Australian Parliament 1996, 2013 and current

Jurisdiction	Basic salary as at 30 June 1996 \$pa	Basic salary as at 1 July 2013 \$pa	Basic salary current \$pa	% increase 1996 to current	% increase 2013 to current
Commonwealth	80 251	195 130	199 040	148.02%	2.00%
ACT	58 264	125 259	136 758	134.72%	9.18%
NSW	79 751	146 251	153 280	92.20%	4.81%
Northern Territory	77 251	143 122	153 312	98.46%	7.12%

¹⁹ The actual SA basic salary is \$187 334 pa. However this includes \$17 124 to compensate for loss of travel allowance – given that the Tasmanian basic salary would not include such compensation it has been excluded for the purpose of comparison. The portion of the common allowance that remunerates committee work has been included, as one of the Commission's recommendations in this Report is that committee work be considered as part of the role of an MP for which they are paid the basic salary (see section 10.2). If the common allowance was excluded, the basic salary in SA would be \$157 040 pa.

Jurisdiction	Basic salary as at 30 June 1996 \$pa	Basic salary as at 1 July 2013 \$pa	Basic salary current \$pa	% increase 1996 to current	% increase 2013 to current
Queensland	79 751	148 848	151 425	89.87%	1.73%
South Australia	78 251	153 130	170 210 ²⁰	117.52%	11.15%
Victoria	79 751	140 973	145 277	82.16%	3.05%
Western Australia	79 453	148 638	154 223	94.11%	3.76%
Tasmania	68 372	118 466	120 835	76.73%	2.00%
Average of all Parliaments excluding Tasmania	76 590	150 169	157 941	106.21%	5.18%
% differential from Tasmania	12.0%	26.8%	30.7%		
Average of all State and Territory Parliaments excluding Tasmania	76 067	143,746	152 069	99.91%	5.79%
% differential from Tasmania	11.3%	21.3%	25.8%		

In their respective submissions, **Unions Tasmania**, the **CPSU** and the **ANMF (Tas)** all support a determination of a basic salary in line with the 2014 Report and a nexus with State and Territory parliamentarians as an appropriate mechanism for future determinations of the basic salary.

Unions Tasmania considers:

“ that [the basic salary recommended in the 2014 Report] provides the basis for creating the nexus between Tasmanian parliamentarians and other state and territory parliamentarians. To establish a nexus for future wage determination UT submits that it is reasonable for the average of all state and territory’s excluding Tasmania and the Commonwealth be used to establish the % differential that exists as at the 01 January 2015.”

The **CPSU** submits that a figure of \$131 046 pa would be an appropriate basic salary (as this is the salary proposed in the 2014 Report increased by the WPI for the period March 2014-March 2015). This:

“ would establish a comparator of 88% of the average of the salaries in these jurisdictions. The CPSU considers this comparator should be used in future determinations of increases in basic salary for Tasmanian politicians.”

In terms of comparison with other jurisdictions, we consider, like the Tribunal, that the State and Territory parliaments are more relevant than the Commonwealth Parliament. In this context it is noted that, while as already mentioned Tasmania has historically been lower than the average of the other State and Territory jurisdictions (11.3% lower in 1996 and 21.3% lower in 2013), the relative position of Tasmanian MPs has declined further to be currently 25.8% below that average.

²⁰ See previous footnote.

Put another way, the salaries of members of Parliament in all other jurisdictions have increased at a faster rate than for Tasmania over the past 20 years.

It should also be noted that some jurisdictions (possibly the Australian Capital Territory, Northern Territory, Victoria, Western Australia) are likely to increase or at least review salaries from 1 July 2016 and this is likely to further diminish the relativity of the Tasmanian basic salary.

5.1.3 Other Statistical Measures

This relative position of Tasmania in the national context is not, however, unique to MPs. As the following table (Table 3) shows, average weekly earnings (AWE) in Tasmania have invariably been below the national position.

Table 3 Average Weekly Ordinary Time Earnings F-T Adults (trend) Australia and Tasmania 1996 – 2015²¹

Date	Australia	Tasmania	% differential ²²
May 1996	\$672.80	\$630.00	6.8%
May 2005	\$994.70	\$841.30	18.2%
May 2010	\$1251.30	\$1085.00	15.3%
May 2015	\$1484.50	\$1289.30	15.1%

We note, though, that the differential in average weekly earnings (AWE) between Tasmania and the whole of Australia of 15.1% as at May 2015 is much lower than the current 25.8% salary differential of MPs with their interstate parliamentary colleagues.

Table 4 shows changes in the basic salary compared to movements in the Consumer Price Index (CPI) and relevant wage indices applicable to the Tasmanian workforce generally.

Table 4 Comparison between increases in basic salary, CPI, AWOTE and WPI

Date	MP Basic salary \$pa	CPI All groups Hobart ²³	AWOTE Full Time Adults (Tasmania) \$pw ²⁴	WPI Tasmania ²⁵
1 July 1996	68 372	67.7	630.00	
1 July 2005	90 957	83.5	841.30	86.2
1 July 2010	111 633	95.8	1085.00	104.9
1 July 2015	120 835	105.1	1289.3	120.9
% change since July 1996	76.7%	55.2%	104.7%	

²¹ Source ABS Catalogue 6302.0 as at January 2016.

²² Difference between AWOTE Australia and Tasmania compared to Tasmania.

²³ Source ABS Catalogue 6401.0 as at January 2016.

²⁴ Source ABS Catalogue 6302.0 as at January 2016.

²⁵ Source ABS Catalogue 6345.0 as at January 2016.

Date	MP Basic salary \$pa	CPI All groups Hobart ²³	AWOTE Full Time Adults (Tasmania) \$pw ²⁴	WPI Tasmania ²⁵
% change since July 2005	32.8%	25.9%	53.3%	40.3%
% change since July 2010	8.2%	9.7%	18.8%	15.3%

We also note that salary increases for MPs have lagged behind those applicable to the wider workforce over time and have been approximately half the rate of increase over the past five years. Indeed, salary increases for MPs have not kept pace with inflation over the past five years.

5.1.4 Comparison between Basic Salary and Representative Public Service Positions

The submissions of the **Labor Opposition** and the **Tasmanian Greens** support the use of a State Service reference salary for the future determination of the basic salary.

The **Tasmanian Greens** consider that the work of MPs is a public service and it is logical that the salary for MPs should be linked to the State public sector. They contend that the basic salary for 2016-17 should be determined by a similar mechanism to that which was included in a Bill²⁶ presented to the Parliament in 2012. This Bill provided for the salary for an MP to be 95.734% of a classification point in the general stream of the Tasmanian State Service Award.

The **Labor Opposition** submits that:

" In our view the [Commission] should identify an appropriate reference salary within the General Stream of the Tasmanian State Service Award so that the basic salary of a Member of Parliament moves in line with any variation to that reference salary."

Table 5 was provided in the 2015 Issues Paper and it compares salary movements for MPs with representative Public Service positions.

Table 5 Comparison between Basic Salary and Representative Public Service Positions

Date	Basic Salary	A & C level 12 TSSA Band 8 R1-2	Registered Nurse L.1 year 8	Teacher B1 Level 12	Police Commander Level 1
1 July 2005	90 957	76 658	50 926	62 815	89 183
1 July 2010	111 633	95 630	64 842	78 509	114 776
1 July 2015	120 835	111 465 ²⁷	76 249	92 496 ²⁸	145 884 ²⁹
% change since 1 July 2005	32.8%	45.4%	49.7%	47.3%	63.6%

²⁶ The *Parliamentary Salaries, Superannuation and Allowances Bill 2012*. The original version of this Bill as tabled provided for the basic salary of an MP to be 95.734% of level 1 of range 1 of Band 9 of the Tasmanian State Service Award. The Bill was amended during debate and this provision was replaced in the 2012 Act.

²⁷ Operative 3 December 2015.

²⁸ Operative 1 July 2016.

²⁹ Operative 1 March 2016.

Date	Basic Salary	A &C level 12 TSSA Band 8 R1-2	Registered Nurse L.1 year 8	Teacher B1 Level 12	Police Commander Level 1
% change since 1 July 2010	8.2%	16.6%	17.6%	17.8%	27.1%

Again a picture that emerges is that in Tasmania salaries for MPs have increased at a lesser rate than the Public Service and have been less than half the rate of increase in Public Service wages over the past five years.

The submission from the **SSMO** presents a similar table with a commencing date of 1 March 2011 rather than the dates used in Table 5. The table from this submission is reproduced below (Table 5A). The **SSMO** submission states that:

“ This was the time of the finalisation of significant adjustment to those salaries and structures, and since the last adjustment to Parliamentary salaries in July 2010. Since this time, successive governments have generally had a policy of limiting headline wage growth in the State Service to about two (2) percent per annum.”

We acknowledge that the choice of the base datum point will impact on the measure of change over time, particularly when atypical salary adjustments are either excluded or included, as the case may be. That is why it is usually safer to select a relatively longer time frame (say 10 years) to gain a meaningful picture. However, even on the SSMO’s time frame, salary adjustments for MPs have not kept pace with the State Service. This disparity is even more apparent when incremental adjustments within bands are taken into account. According to the SSMO submission, the actual increase under the Tasmanian State Service Award (TSSA) in this time frame ranged from 10.4% to 24.7%, compared with a headline Award increase of 10% and an actual increase in the basic salary of 8.3%. Incremental adjustments are not available to MPs.

Table 5A - State Service and Parliamentary Comparisons³⁰

Date	Basic Salary MPs	TSSA Band 8 RI-1	Registered Nurse Gr 3 max	Teacher Grade 1 Level 12	Police Commander Level1 (Award)
1 March 2011	111 633 ³¹	98 977	67 111	82 533	130 082
1 July 2015	120 835	109 279	74 754	90 682	143 024
1 Dec 2015	120 835	111 465	76 249	90 682 ³²	143 024
% Change 2011 to 2015	8.3%	12.7%	13.6%	9.9%	9.9%

³⁰ Source SSMO submission.

³¹ Basic salary for MPs as at 1 July 2010.

³² Teachers due for 2.0% per annum in March 2016.

The **SSMO** submission also provides three additional tables of information:

- (i) Salary movement since 2011 in the State Service – General Stream
- (ii) Increases to selected bands in the General Stream (since March 2011) including industrial Agreements and salary progression
- (iii) Salary movement since March 2011 in the base salaries for the State Service Senior Executive Service

These tables are reproduced here as Tables 5B, C and D.

Table 5B Salary Movement in the State Service – General Stream³³

Agreement	Date	Increase
PSUWA 2011	1 December 2011	Greater of 2.0% or \$1 000 per annum
	1 December 2012	Greater of 2.0% or \$1 000 per annum
PSUWA 2013	1 December 2013	2.0%
	1 December 2014	2.0% plus additional 0.5% at maximum
	1 December 2015	2.0% plus additional 1.0% at maximum
% Base salary increases from 1 March 2011 to 1 December 2015		Minimum 10%

Table 5C Increases Including Industrial Agreements and Salary Progression for Selected Bands of the TSSA³⁴

	March 2011 \$ pa	December 2015 \$ pa	Increase
Band 3			
B3-R1-1 to B3-R1-5	51 832	62 289	20.2%
B3-R1-5 to B3-R1-5	56 418	62 289	10.4%
Band 4			
B4-R1-1 to B4-R2-3	58 179	71 887	23.6%
B4-R2-4 to B4-R2-5	67 288	75 410	12.1%
Band 6			
B6-R1-1 to B6-R2-3	76 016	94 782	24.7%
B6-R2-4 to B6-R2-5	87 325	97 646	11.9%

³³ Source SSMO submission.

³⁴ Source SSMO Submission.

	March 2011 \$ pa	December 2015 \$ pa	Increase
Band 8			
B8-R1-1 to B8-R2-3	98 977	119 047	20.3%
B8-R2-2 to B8-R2-3	106 612	119 047	11.7%

Table 5D Tasmanian State Service Senior Executive Service (Base Salaries)³⁵

	March 2011 \$pa	December 2015 \$pa	Increase
SES 1 minimum	110 455	121 318	9.9%
SES 2 minimum	130 275	143 088	9.9%
SES 3 minimum	157 247	172 713	9.9%
SES 4 minimum	189 350	207 973	9.9%

We note that salary adjustments for the Senior Executive Service (SES) have resulted in a cumulative salary increase of 9.9% over the SSMO's chosen time frame.

Whilst this is a relevant consideration, it does not take into account that SES officers also have the ability to move annually within the range for their classification level at a rate of 2% pa based on performance.

It must also be recognised that SES salaries are determined entirely within the province of the Government, rather than through independent assessment.

Although it is not expressly stated, we also note that it would seem that the Tasmanian Government current wages policy provides for salary increases of 2% pa. Certainly this is the level of increase reflected in most registered industrial agreements over recent years.

There are, however, exceptions. For example, paramedics and salaried medical practitioners in the State Service have, following extensive work-value-type proceedings before the Tasmanian Industrial Commission, gained salary increases in excess of this figure.

5.1.5 Demographics and Budget Outlays

The 2014 Report referred to an analysis of demographics and budget outlays across the various jurisdictions. These indicators have been updated in Table 6.

Table 6 compares population demographics and general government sector revenue for each of the Australian jurisdictions.

³⁵ Source SSMO Submission.

Table 6 Analysis of Demographics, Budget Outlays, Australian Parliaments – 2014-15

Jurisdiction	Number of Members (Lower/Single Houses)	Number of Members (Total Parliament)	Population (million) ³⁶	Population per Member (Lower/Single House)	Population per Member (Total Parliament)	General Government Revenue (\$ billion) ³⁷	Revenue per Member (Lower/Single House)	Revenue per Member (Total Parliament)	Index ³⁸ (Lower/Single House)	Index (Total Parliament)
Commonwealth	150	226	23.714	158,093	104,929	377.3	2,515	1,669	397.66	175.18
ACT	17	17	0.39	22,941	22,941	4.5	264	264	6.06	6.06
NSW	93	135	7.597	81,688	56,274	69.1	743	512	60.73	28.82
Northern Territory	25	25	0.244	9,760	9,760	6.9	275	275	2.68	2.68
Queensland	89	89	4.767	53,562	53,562	49.6	557	557	29.84	29.84
South Australia	47	69	1.696	36,085	24,580	16.5	350	239	12.64	5.87
Tasmania	25	40	0.516	20,640	12,900	5.0	199	124	4.10	1.60
Victoria	88	128	5.915	67,216	46,211	53.5	608	418	40.90	19.33
Western Australia	59	95	2.587	43,847	27,232	27.0	458	284	20.07	7.74

³⁶ ABS Demographics 3101.0 – March 2015

³⁷ Various State, Territory and Commonwealth Budget Papers

³⁸ Index formula: Population/member x Budget Revenue/member divided by 1 000 000

In the 2014 Report the Tribunal observed:³⁹

" 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.

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 number of voters and total council revenue. The actual allowances paid to the elected members are structured accordingly.

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 the role is a consideration.

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

We emphasise however that this is a conclusion based on limited criteria and is indicative rather than definitive in nature."

Mr Cooke submits that, based on these and other variables:

" No reasonable person could place Tasmania in any position but penultimate or last in almost all these criteria."

We are of the view that the demographics referred to in Table 6 have not changed materially since the 2014 Report, and the comments of the Tribunal remain valid and we support them.

5.1.6 Activity Indicators

The 2014 Report provided information comparing the sitting days in various Australian parliaments for 2008-13. In relation to the Tasmanian Parliament, the Tribunal noted⁴⁰ that:

" It would appear that sitting days in the House of Assembly have 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) have generally been below the national average. (46.5 days)."

In his submission **Mr Lindsay** observes:

" It is obvious from television media coverage that attending the Commonwealth's House of Representatives when in session is neither a principal duty nor a principal responsibility of members of that house. Can I assume that attending the House of Assembly when it is in session is not a principal duty or principal responsibility of members?"

The **ANMF (Tas)** submits that the:

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

There is no material before us which assists us in relation to this implied proposition one way or the other.

³⁹ See paragraphs 4.8.4 to 4.8.8 of the 2014 Report.

⁴⁰ See paragraph 4.9.7 of the 2014 Report.

The following table (Table 7) summarises sitting days⁴¹ across Australian parliaments for 2014 and 2015.

Table 7 Comparison of Sitting Days, Australian Parliaments 2014 and 2015

Year	House	ACT	NSW	NT	Qld	SA	Tas ⁴²	Vic	WA	Average for State and Territory Parliaments	Cmwlth
2014	Lower	41	53	34	40	40	38	45	63	44.3	76
	Upper		47			40	36	43	59	45.0	63
2015	Lower	39	45	28	33	48	45	51	63	44.0	75
	Upper		41			50	44	51	60	49.2	60

In our view, the use of ‘sitting days’ as a measure of productivity and/or work value is problematic. It presupposes that other roles such as electorate work are of lesser work value than actually sitting in Parliament (see also the comment in footnote 41).

That said, sitting days within the Tasmanian Parliament over the past two years remain close to the average of the State and Territory Parliaments, as was also noted for the previous six years in the 2014 Report. The fewer sitting days in Tasmania in 2014 reflects the impact of the State Election in March that year. Certainly there is nothing that would support either a discount or a premium on the assessment of the basic salary due to the number of sitting days.

5.1.7 Conclusion as to Basic Salary

The 2014 Report concluded that, into the future, salaries for MPs should be adjusted in line with wage movements for the wider community, which includes the public sector. However, to achieve this position the Tribunal found that it is essential to establish an appropriate base, as to do otherwise would serve to perpetuate an inequity and unfairness, and simply delay public cynicism and rancor to another day.⁴³

The Tribunal's view, with which we concur, was that the correct approach is succinctly captured by the following observations made in the Commonwealth 2011 Report.⁴⁴

- (i) 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.
- (ii) 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.

⁴¹ The information in Table 7 has been sourced from data available on parliamentary web sites. The information should be viewed as indicative only as there may be inconsistency in the manner in which each parliament counts sitting days (ie each actual day of sitting or when some sittings may involve more than one day) or deals with Committees such as Estimate Committees.

⁴² For Tasmania, Estimate Committee and GBE/SoC Scrutiny Committee hearings and three quorum call days for the Legislative Council in each of the two years are not included.

⁴³ See paragraph 4.14.2 of the 2014 Report.

⁴⁴ See paragraph 2.11 of the Commonwealth 2011 Report.

In considering an appropriate basic salary for MPs from 1 July 2016 we note:

- (i) Since the 2014 Report there has been no material change in the role of an MP or its work value.
- (ii) The role of an MP is similar to that of the members of other State and Territory parliaments.
- (iii) If the reduction in the number of MPs in 1996 did result in an increased workload and commensurate change in work value, that change would have been taken into account in earlier salary reviews and to take this into account now would amount to double counting.
- (iv) The basic salary of an MP has historically been lower than the average of the basic salaries of members of Parliament in other jurisdictions is currently 25.8% below the average, and likely to fall further behind.
- (v) The differential in average weekly earnings (AWE) between Tasmania and the whole of Australia of 15.1% as at May 2015 is much lower than the current 25.8% salary differential between MPs and their interstate parliamentary colleagues.
- (vi) Salary increases for MPs have lagged behind those applicable to the wider workforce over time and have been approximately half the rate of increase over the past five years.
- (vii) Increases in the basic salary for MPs have not kept pace with inflation over the past five years.
- (viii) The basic salary for MPs has increased at a lower rate than the Public Service and has increased at less than half the rate of increase of Public Service wages over the past five years.

In summary, the position of an MP relative to other parliamentary jurisdictions, salary movements in the wider workforce and the State Service, has continued to deteriorate since the 2014 Report.

The 2014 Report took into consideration a range of data similar to that in the foregoing analysis and concluded that a phased-in basic salary of \$128 000 pa as at 1 January 2015 was appropriate, noting that this level would remain the lowest of any Australian parliament by a significant margin.

This recommendation was not implemented nor was indeed any part of the 2014 Report. In particular the Government did not take any action.

However, the Government has not submitted to us that the Tribunal's finding lacked merit.

In the absence of any submission we think it is reasonable to conclude that the Government's inaction in relation to the 2014 Report was motivated by considerations of budget stringency and a then proposed wage freeze across the public sector.

The **SSMO** submission to the current inquiry is limited to factual information about an alternative base datum point for the comparison with State Service salary movements.

There is no submission before us going to the question of current budget stringency and/or capacity to pay.

We conclude that the recommendation in the 2014 Report was and remains soundly based.

As a consequence, in determining a basic salary to apply from 1 July 2016 we have:

- (i) Assumed the 2014 recommendation represented an appropriate base,
- (ii) Applied the Wage Price Index (WPI) for the 12 months preceding March 2015 (2.3%) as envisaged in the 2014 Report, and
- (iii) Taken account of known salary adjustments across the State Service for 2015-16 as a proxy for the WPI.

5.2 Recommendation

We recommend that:

- (1) The basic salary as at 1 July 2016 be determined to be \$133 560 pa.**

5.3 Observation

We note that this salary is:

- (i) An increase of 10.53% to the current basic salary,
- (ii) Still the lowest basic salary of any State or Territory parliamentarian, and
- (iii) About 88% of the average basic salary of the members of the State and Territory parliaments (which is \$152 069 pa – see Table 2).

5.4 Flow-on Implications

We strongly emphasise that, in establishing this appropriate base, there is a significant ‘catch up’ element, of which salary movements in the State Service have been a major consideration. Accordingly there can be no legitimate basis for any expectation of flow on implications for the State Service.

6 Mechanism for the Future Adjustment of Salary

6.1 Information

This subject was discussed in some detail in the 2014 Report and referred to in the 2015 Issues Paper.

We note that if a determination is to apply for more than one year it is likely that an adjustment mechanism for the intervening years will be required.

The options we canvassed included:

- (i) Linkage with the salaries paid to members of other State and Territory parliaments,
- (ii) Linkage with the State Service, and
- (iii) Linkage with a relevant ABS Wage Earnings Index.

In the 2015 Issues Paper, the Commission sought submissions about appropriate adjustment mechanisms to include in a multi-year determination, should one be made.

The Commission also sought submissions on the preferred period of its first determination.

As already mentioned above, in the submissions that we received, there were different views expressed about appropriate future adjustment mechanisms for the basic salary.

A linkage with a relevant State Service Award/Classification is supported by the **Labor Opposition** and the **Tasmanian Greens**.

A nexus with the salaries paid to the members of other State and Territory parliaments is supported by **Unions Tasmania**, the **CPSU** and the **ANMF (Tas)**.

Mr Boglio supports performance-based adjustments.

Mr Cooke considers that there are too many variables for there to be a useful comparison of the salaries in other jurisdictions to determine the basic salary payable to MPs. In his opinion:

“ the Commission having established a threshold level, it should be retained and indexation be as it has recommended: the WPI for Tasmania at intervals the Commission recommends.”

6.1.1 Linkage with State and Territory Parliaments

In the 2014 Report the Tribunal agreed that the basic salary applicable in the State and Territory Parliaments remains a significant consideration in the determination of the Tasmanian basic salary. However, it did 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 relation to) the other jurisdictions, however defined.

The 2014 Report also noted that salary determination in the various jurisdictions is a moveable feast with the likelihood of one or more reviews underway at any given time. In fact there were already changes to the basic salary in some jurisdictions (Queensland, South Australia) between the release of the 2015 Issues Paper and the preparation of this report.

We agree with this conclusion. Whilst salary levels in the various State and Territory Parliaments will always be a relevant consideration at the time of a general review, it is not in our view a suitable mechanism for interim adjustments between reviews.

6.1.2 Linkage with the State Service

This was also addressed in the 2014 Report.

We consider that the movement of salaries and wages paid in the State Service (see Tables 5, 5A-D) is part of the overall consideration in determining changes to the basic salary.

We also note that some jurisdictions (eg New South Wales, Queensland) have sought to link, align or limit increases in salaries of the members of their parliaments to movements in the State Service equivalents.

The obvious advantage is that this approach ensures salary movements for MPs are in line with the public sector generally, thus largely removing scope for public discontent.

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 mean 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 14 000 State Servants, with the obvious budgetary implications). Nonetheless, from the point of view of public perception, it is a consideration which should not be ignored.

As the Tribunal did, we also note the observations of the ACT Remuneration Tribunal about an inherent problem with linkages generally, with which we broadly agree.⁴⁵

The 2014 Report noted that a linkage may be suitable at a given point in time, but takes no account of changed circumstances in the future. Examples of changed circumstances include the growth of enterprise agreements and the attendant demise of award-based salary increases, work value changes and new classification structures.

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 1993.⁴⁶

In relation to a link to the State Service salaries, unforeseen changes might include a work value change or new classification structure for state servants of no relevance to MPs. Indeed the submission of the **Tasmanian Greens** notes such a circumstance which renders the position outlined in the 2012 Bill unworkable, as the link to a reference classification level in that Bill is no longer applicable as that classification level no longer exists.

There is one further aspect that persuades us not to adopt a formal linkage with the State Service. State Service employment is a relatively small component (approximately 13%) of the Tasmanian workforce. We concur with the 2014 Report which concluded that, if there is to be a linkage with external wage movements as part of a mechanism for future adjustment, then that link should be an appropriate index applicable to the wider community, which includes, but is not limited to, the State Service.

This aspect is discussed in the next section.

6.1.3 Linkage with a Relevant ABS Earnings Index

The 2014 report discussed the two options for consideration. For completeness, these options are summarised below.

Average Weekly Earnings (AWE)

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.

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:

⁴⁵ *Final Report on the Review of Entitlements for Members of ACT Legislative Assembly*. April 2014.

⁴⁶ Although not a link to a public service salary, the most notable problem of this type arose with a previous linkage mechanism. Since 1996 an MP basic salary had been set to be 85.19% of a Commonwealth parliamentarian's basic salary, but this link was not sustainable and had to be removed by legislation when the Commonwealth Remuneration Tribunal awarded a 31% increase to members of the Commonwealth Parliament in 2011.

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

In Victoria, the full-time adult average weekly earnings of employees in that state has been adopted in the relevant legislation⁴⁷ for the determination of the basic salary to apply from 1 July 2015 to members of the Victorian Parliament.

Wage Price Index (WPI)

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.

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.

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

As seen from Table 4 above the WPI has increased at a slightly lesser rate than AWE over the past ten years, although both indices are ahead of changes in the CPI.

6.1.4 Periodic Reviews

As an alternative to a formal linking mechanism, the basic salary could be subject to review on an annual basis.

Under such a mechanism the factors referred to in this report might all be 'in the mix' with none being binding in absolute terms. This is the position which applies in the Australian Capital Territory, New South Wales, the Northern Territory and Western Australia, where a remuneration tribunal makes periodic determinations.

This approach would ensure that all relevant factors are taken into account. However such a process has its own complexities and is time consuming for both the tribunal and individuals and organisations with an interest in the process. Given that external changes of an unpredictable nature are unlikely to be of such moment as to create a significant inequity in such a short time frame, we conclude that full reviews on an annual basis are not justified. We note that, in any event, the Minister may at any time require the Commission to inquire into a matter specified in a written notice⁴⁸ should a new review be deemed necessary.

Having established an equitable basic salary to apply from 1 July 2016 (see section 5.8) we consider it is appropriate that between Inquiries of the Commission the basic salary be adjusted by the change in the WPI, Ordinary Time Hourly Rates of Pay Excluding Bonuses; Tasmania, Private and Public; all Industries (ABS Catalogue 6345.0) for the twelve months preceding the December

⁴⁷ See section 3 of the *Parliamentary Salaries and Superannuation Act 1968* (Vic).

⁴⁸ See section 3C(3) of the 2012 Act.

quarter in each relevant financial year. Such adjustment is to take effect from 1 July next occurring.

We anticipate that, when this revised system of salary adjustment is bedded down and fully established, a full review of all relevant considerations by an Inquiry under the 2012 Act need only occur at three-yearly intervals.

6.2 Recommendation

However, given that this proposal is a new system of salary and allowance adjustment, we recommend that our determination this time be that:

- (2) From 1 July 2017, the basic salary be adjusted by the change in the WPI, Ordinary Time Hourly Rates of Pay Excluding Bonuses; Tasmania, Private and Public; all Industries (ABS Catalogue 6345.0) for the twelve months preceding the December quarter in each relevant financial year.**
- (3) The next Inquiry under the 2012 Act by the Commission take place in 2017-18, with any change to take effect from 1 July 2018. This will allow for an earlier consideration of any unanticipated external factors that would otherwise have occurred under the proposed three yearly reviews.**

7 Additional Salary for Certain Office Holders

7.1 Information

The 2012 Act prescribes the additional salary payable to the Premier, Deputy Premier, Ministers of the Crown, Secretary to Cabinet and Certain Officers of the Parliament. The additional salary is specified as a percentage of the basic salary.⁴⁹

Additional salary for office holders did not form part of the terms of reference of the Tribunal in 2013, but it is a relevant matter for the purpose of this Inquiry by the Commission.

The current entitlements to additional salary for MPs who are holders of certain offices are shown in Table 8. It also shows the value of those entitlements currently as well as for our recommended basic salary from 1 July 2016.

Table 8 Additional Salary for MPs who are Office Holders

Office	Additional Salary (percentage of basic salary)	Additional Salary \$pa (based on current salary)	Additional Salary \$pa (based on recommended salary)
<i>Government</i>			
Premier	115	138 960	153 594
Deputy Premier	82	99 085	109 519
Minister	70	84 585	93 492
Secretary to Cabinet	30	36 251	40 068
<i>Legislative Council</i>			

⁴⁹ See Part 2 of Schedule 1 to the 2012 Act.

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Office	Additional Salary (percentage of basic salary)	Additional Salary \$pa (based on current salary)	Additional Salary \$pa (based on recommended salary)
President	35	42 292	46 746
Leader for the Government	70	84 585	93 492
Chair of Committees	20	24 167	26 712
Deputy Leader for the Government	35	42 292	46 746
<i>House of Assembly</i>			
Speaker	35	42 292	46 746
Chair of Committees	20	24 167	26 712
Leader of the Opposition	70	84 585	93 492
Deputy Leader of the Opposition	35	42 292	46 746
Government Whip	6	7 250	8 014
Opposition Whip	6	7 250	8 014
Leader of a recognised non- government party, other than the Opposition	35	42 292	46 746

Table 9 provides a comparison of the additional salaries paid to various office holders in the different Australian jurisdictions.

Table 9 Comparison by Parliamentary Jurisdiction of Additional Salary Entitlements (expressed as a percentage of basic salary) for Selected Offices

Office	Cmwlth ⁵⁰	ACT ⁵¹	NSW ⁵²		NT ⁵³	Qld ⁵⁴	SA ⁵⁵		Tas ⁵⁶		Victoria ⁵⁷		WA ⁵⁸
	additional salary	additional salary	additional salary	expenses of office	additional salary	additional salary	additional salary	expenses of office	additional salary	expenses of office ⁵⁹	additional salary	expenses of office	additional salary
First Minister ⁶⁰	160	110	95	45 ⁶¹	100	154.7	100	5.4	115	12	100	42	127.2
Dep First Minister	105	80	76	27	80	123.8	85	4.5	82		85	21	93.5
Ministers	72.5 57.5	70	67 57	26	65	108.3	75 41	3.8	70		75	18	77.1
President	75		57	26			75	2.1	35	6	65	12	77.1
Speaker	75	55	57	26	65	92.8	75	2.1	35	6	65	12	63.6
Leader of Opp	85	70	57	26	65	108.3	75	3.8	70		75	18	63.6
Most Senior Govt Whip	26	10	13	7	15	54.2	18		6		18		17.3
Most Senior Opp Whip	23	10	13	7	15	23.2	18		6		11		17.3

⁵⁰ Remuneration Tribunal Report Number 1 of 2015 and Determination 2015/22.

⁵¹ ACT Remuneration Tribunal Determination 7 of 2015.

⁵² Parliamentary Remuneration Act 1989 (NSW), Schedule 1.

⁵³ Northern Territory of Australia Remuneration Tribunal Report and Determination No 1 of 2015, Schedule 1.

⁵⁴ Queensland Independent Remuneration Tribunal Determination 7/2015.

⁵⁵ Schedule of Parliamentary Remuneration Act 1990 (SA).

⁵⁶ Parliamentary Salaries, Superannuation and Allowances Act 2012 (Tas), Schedules 4 and 6.

⁵⁷ Parliamentary Salaries and Superannuation Act 1968 (Vic), Section 6, Table.

⁵⁸ Salaries and Allowances Tribunal (WA) remuneration of Members of Parliament – Determination, 23 June 2015, section 2.3.

⁵⁹ Entertainment Allowance.

⁶⁰ Prime Minister, Premier or Chief Minister as appropriate.

⁶¹ Definition is 55% less such percentage as is necessary to reduce the allowance by \$15 000 – so actual allowance is equivalent to 45.2% of current basic salary.

As can be seen from Table 9, some jurisdictions provide for a specific expenses of office allowance as well as the defined amount of additional salary. Some jurisdictions have a range of additional salary points for Ministers depending on seniority or the attachment of additional responsibility, such as Leader for or Manager of Government Business in a House.

Submissions were sought as to whether or not the existing additional salary amounts in Tasmania are appropriate.

One relevant matter to the Commission's Inquiry is to consider if there are other offices of the Parliament that are currently not remunerated with additional salary⁶². Many of the other jurisdictions pay additional salary for other offices not remunerated in Tasmania, for example Parliamentary Secretary or Shadow Minister. These 'offices', however, are administrative constructions in Tasmania and not currently recognised in the Constitution or the 2012 Act – unlike the office of Secretary to Cabinet, for instance.⁶³

The references cited for Table 9 provide sources of information about the type of offices that are paid additional salary in other jurisdictions, and the amount of that additional salary.

Submissions were invited as to whether there are offices in Tasmania for which the payment of an additional salary amount may be appropriate, but for which additional salary is not currently provided.

There was only one submission, from **Mr Lindsay**, which addresses the adequacy or otherwise of the current additional salary levels. There is no submission that suggests there are any other offices currently not remunerated with additional salary which should be included.

Mr Lindsay is concerned that there is no justification, as far as he could ascertain, for the payment of additional salaries - for example, what were the duties and responsibilities of a Deputy Premier that led the incumbent of that office to be paid an additional salary of \$99 085 pa. He also questions:

" Why should whips receive additional salary when their work is for the benefit of a political party rather than a House [of Parliament] per se?"

An analysis of the information presented in Table 9 suggests that the level of additional salary for most of the offices is broadly consistent with similar loadings paid in the other Australian parliaments.

There are however two exceptions, being the President of the Legislative Council and the Speaker of the House of Assembly. Both offices attract an additional salary of 35 per cent whereas the additional loading in the other jurisdictions is more closely aligned with that of Ministers.

We note that, for the purposes of the Financial Management Bill 2015⁶⁴, both the President and the Speaker are deemed to be the "appropriate Minister" for their respective House of Parliament. In the absence of more information as to the additional responsibilities of these two offices, it would be unsafe to propose any change at this point. We do, however, flag that there appears to be a prima facie case for a consideration of the additional salary paid to these two offices during the 2017-18 review.

⁶² See section 3C(2) of the 2012 Act.

⁶³ See section 8F of the *Constitution Act 1934* (Tas).

⁶⁴ See clause 4 of the Financial Management Bill 2015 (Bill No 41) which was passed by the House of Assembly on 24 September 2015 and is, at the time of writing of this report, with the Legislative Council.

In relation to the office of Whip, we note that, although there are both Government and Opposition Whips and that they may be seen as political party managers, Whips do have important roles in relation to the proper administration of the Parliament. They make sure that, when a vote is taken in the House, all their party members are present in the chamber for the vote. The Whips make sure that their party members know what is going to take place in the Chamber each day and may inform members of their Party of the rosters for attendance in the Chamber. They arrange for their Members to take part in debates and they may assist with the nomination of their party Members to be on parliamentary committees.

Away from the Chamber, the role of a Whip is similar to that of a committee secretary. Whips organise meetings of their parliamentary party in consultation with the leaders; arrange for the distribution of relevant papers; act as the conduit for communication between the leaders and backbenchers; and arrange meeting venues and accommodation when Party meetings are held away from the Parliament. There is also likely to be an administrative role such as the filing and preparation of correspondence arising from Parliamentary Party meetings.

All jurisdictions recognise the Whip role with a salary loading.

We also consider that the Deputy Premier, who is a senior Minister with additional responsibility to act as the Premier when he or she is unavailable to do so, is appropriately paid a higher additional salary (ie an extra 15% of basic salary) than other Ministers, who receive an additional salary of 70% of the basic salary.

7.2 Recommendation

We recommend that:

- (4) The current amounts of additional salary, defined as percentages of the basic salary which are specified in the 2012 Act, continue and be unchanged for the period of the 2016 Determination, ie from 1 July 2016 until 30 June 2018.**
- (5) As part of the 2017-18 Inquiry by the Commission, the quantum of additional salary paid in relation to the offices of President of the Legislative Council and Speaker of the House of Assembly be considered in particular.**

8 Motor Vehicle Allowance

8.1 Information

Under the 2012 Act, each MP is entitled to be paid a Motor Vehicle Allowance of \$15 305 pa.⁶⁵

However, MPs 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.

Prior to the amendments made by the 2015 Act, the amount of the Motor Vehicle Allowance was specified to increase at the same time and by the same percentage amount that the basic salary increases.

⁶⁵ See clause 1 of Schedule 6 to the 2012 Act.

The 2014 Report recommended that future variations to the Motor Vehicle Allowance should be linked to CPI rather than the basic salary. It recommended an adjustment to the allowance of 2.76% from 1 July 2014 taking it to \$15 419 pa. This allowance was to 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.

This recommendation was not adopted. Instead the Allowance was legislatively increased by 2% from 1 July 2015 to \$15 305 pa.

No change was recommended to the arrangements for taking a fully maintained private-plated motor vehicle in lieu of the Allowance.

Recently⁶⁶ there has been a change to the motor vehicle arrangements applicable in the Tasmanian State Service to SES Officers and Heads of Agencies.

Subject to the offer being made by the Head of Agency (in the case of SES Officers) or the Secretary, Department of Premier and Cabinet (in the case of Heads of Agencies), officers, other than those who are members of the Retirement Benefits Fund (RBF) Defined Benefit Scheme, may elect to receive an annual allowance in lieu of a fully maintained private plated motor vehicle. The current quantum of this allowance in lieu of a motor vehicle is \$15 700 pa for SES Officers at levels 1 and 2 and \$16 900 pa for SES Officers at level 3 and above and Heads of Agencies.

As part of the 2015 Issues Paper, the Commission sought submissions as to the adequacy or otherwise of the Motor Vehicle Allowance and whether the recommendation of the 2014 Report should be confirmed, or the new SES allowance be adopted or some other approach be taken.

Unions Tasmania and the **CPSU** support the recommendation of the 2014 Report that MPs either get a fully maintained private-plated vehicle or an allowance, and that the allowance is increased each July to reflect changes in the CPI, Hobart, All Groups between the March quarter in that year and the March quarter in the preceding year.

The **ANMF (Tas)** considers that MPs should be entitled as follows:

" [the] normal state service entitlements and conditions should be applied for motor vehicle allowance/provision relevant to SES 1."

We are informed that in almost every case MPs are choosing to take the vehicle rather than the allowance.

The rationale behind the new SES arrangements is not available to the Commission. Accordingly we are not persuaded that it should be adopted.

Nothing has been put which persuades us to move from the recommendation in the 2014 Report. The allowance is in the nature of an expense reimbursement rather than salary. Hence the appropriate index linkage is CPI rather than an earnings-related index.

8.2 Recommendation

We recommend that:

- (6) The Motor Vehicle Allowance should be recalculated based on the 2014 recommendation, adjusted for the change in the CPI, Hobart, All Groups (ABS**

⁶⁶ See State Service Act *Employment Direction No 17*, 27 April 2015.

Catalogue 6401.0) between June quarter 2014 and December Quarter 2015. This results in an allowance of \$15 613 pa and will apply from 1 July 2016.

- (7) **Thereafter the Motor Vehicle Allowance be adjusted by the change in the relevant CPI index for the 12 months preceding the December quarter in each financial year, and will apply from 1 July next occurring.**

9 Electorate Allowance

9.1 Information

The amounts of the existing electorate allowances are specified in clause 2 of Schedule 6 to the 2012 Act. These are shown in the following table (Table 10).

Table 10 Current Electorate Allowances for Tasmanian MPs

	Electorate(s)	Allowance (per annum)
Legislative Council		
Group 1	Apsley	\$48 473
Group 2	Murchison, Western Tiers	\$44 644
Group 3	Derwent, Huon	\$38 266
Group 4	Montgomery, Rumney	\$35 716
Group 5	Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart	\$30 614
House of Assembly		
	Bass	\$42 094
	Braddon	\$45 920
	Denison	\$30 614
	Franklin	\$36 991
	Lyons	\$51 024

This entitlement and the basis for the calculation of the current amounts were subject to an in-depth review by the Committee of Review established in 2006.

The amounts of the Allowance were significantly increased at that time and a number of other allowances were eliminated.

Generally speaking, the purpose of the Electorate Allowance is to cover expenses incurred by MPs in servicing the electorate, other than those expenses specifically covered by other allowances. The Report of the 2006 Committee of Review identified the following expense items that might appropriately fall within the purview of the Electorate Allowance. This is not necessarily an exhaustive list.

- (i) Accommodation expenses when travelling within the electorate,
- (ii) Postage, including newsletters,

- (iii) Pamphlet drops,
- (iv) Professional development in all its forms,
- (v) Communication with the electorate, surveys, focus groups etc,
- (vi) Upgrading to a non-standard vehicle, eg 4WD,
- (vii) Commissioning research projects,
- (viii) Entertainment,
- (ix) Attendance at community, business, education and sporting functions,
- (x) Subscriptions and donations to charitable, sporting and social organisations within the electorate,
- (xi) Advertisements of the Member's parliamentary activities within the electorate,
- (xii) Home office expenses,
- (xiii) Internet access fees, and
- (xiv) Taxi fares.

The Electorate Allowance was 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.

The 2014 Report noted 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.

The 2014 Report also noted 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.

The majority of submissions to the Tribunal indicated that the allowance was 'adequate' but invariably fully expended. There were some suggestions 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.

The 2014 Report noted that Electorate Allowances in other jurisdictions invariably bear a direct relation to the geographic size of the electorate.

In the 2014 Report, the Tribunal recommended that the existing allowances be adjusted from 1 July 2014 in line with the change in the CPI (2.76%), with any future annual adjustments linked to the increases in CPI. However, the Tribunal went on to note that the relativity of the amounts

of the various allowances may well be an appropriate matter for consideration at the next triennial review.⁶⁷

As part of the 2015 Issues Paper, the Commission sought submissions about whether there is reason to depart from the recommendation of the 2014 Report.

The **CPSU** submits that:

“ there’s no reason to depart from the 2013 Tribunal recommendation but believes there must be clarity about what the electorate allowance is for. There seems to be confusion about items such as internet data and IT and communications equipment and whether these should be paid from electorate or telecommunications allowances.”

The **ANMF (Tas)** also seeks a refinement of the criteria for electorate allowances to bring them in line with community expectation and transparency. It proposes that:

- (i) A strict policy and criteria be developed to ensure this allowance is confined to electorate use - public communication, i.e. brochures, newspaper advertisements of whereabouts, commissioning research and postage with the legitimacy of expenditure justified through the ATO,
- (ii) Receipts be required for auditing,
- (iii) A component of the allowance be defined and reserved for professional development expenses, and
- (iv) The allowance not be used discretionally on items which are covered by another allowance, e.g. home office expenses, internet access fees, taxi fares, entertainment or accommodation expenses, which could be perceived as double dipping with other entitlements.

However the **ANMF (Tas)** also suggests an alternative approach whereby:

“ the base electoral allowance of \$30 614 pa could be built into the base salary with a true extra allowance to only apply for rural electorates based on a percentage increase and reimbursed based on ATO approval.”

The administrative efficiency of the existing structure, as noted in the 2014 Report, was again confirmed in representations to this Inquiry. Similarly we were informed that the quantum of the allowance was generally considered to be adequate, but invariably fully expended.

Notwithstanding the observations in the 2014 Report, nothing was put to us suggesting any change in the relativity between electorates. Accordingly, we intend to continue with the relativity established in the 2006 Report.

Despite the **ANMF (Tas)** alternative suggestion, we think the nature of the Electorate Allowance is different from salary, and to incorporate some or all of the allowance into a salary would not be appropriate.

We can see some merit in the suggestions that the purpose and legitimate uses of the Electorate Allowance be clarified or tightened up. However, we did not consider that we have received sufficient submissions from a range of those people affected, or had available other information, to make a determination on this matter as part of this Inquiry. The 2006 Report dealt extensively

⁶⁷ The 2013 Tribunal envisaged that there would be a review of the salaries and allowances to which MPs are entitled by another independent Tribunal established for that purpose in 2016-17, with a view to recommending changes to be effective from 1 July 2017.

with the Electorate Allowance, the rationale for it and the types of expenses for which it should be used. Given that report will be 10 years old in 2016, we consider that a detailed review of the allowance should be undertaken as part of our proposed next Inquiry in 2017-18.

The 2014 Report recommended that existing allowances be increased in line with the change in the CPI effective from 1 July 2014. This was not adopted. Instead, the allowances were adjusted by 2% from 1 July 2015, presumably in line with change in the basic salary.

We conclude that the recommendation of the 2014 Report was soundly based.

9.2 Recommendation

We recommend that:

- (8) The Electorate Allowance be recalculated, based on the 2014 recommendation, adjusted for the change in the CPI, Hobart, All Groups (ABS Catalogue 6401.0), between June quarter 2014 and December quarter 2015, to apply from 1 July 2016.**
- (9) Thereafter the Electorate Allowance be adjusted by the change in the relevant CPI index for the 12 months preceding the December quarter in each financial year, to apply from 1 July next occurring.**
- (10) The objective, legitimate uses and administration of the Electorate Allowance be considered as related matters (in the sense of section 3C(2) of the 2012 Act) for the purpose of the next Inquiry of the Commission in 2017-18.**

10 Committee Sitting Fees

10.1 Information

The 2012 Act⁶⁸ 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:

- (i) In the case of a Chair of a Committee, at the rate of 0.12% of the annual basic salary (currently equivalent to \$145 per day).
- (ii) In the case of any other member, at the rate of 0.10% of the annual basic salary (currently equivalent to \$121 per day).

The 2014 Report noted that:

- (i) 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) to up to five or more hours. Typically a committee meeting would be in the range of 45 minutes to two hours.
- (ii) Sitting fees are only payable to members and Chairs of Standing Committees as distinct from Select Committees. There did not appear to be a logical explanation for this distinction, other than an historical basis.
- (iii) Committee work is very much part of the core role of an MP in the same manner as is participating in parliamentary debates, attending briefings etc. However, the role of a

⁶⁸ See Clause 3 of Schedule 6 to the 2012 Act.

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.

The sitting fee rates payable for Committee Chairs in Tasmania were significantly less than those applicable in any other parliamentary jurisdiction in Australia. A comparison of current committee fees/additional salary is shown in Table 11. We note that, in relation to Committee members, sitting fees or additional salary are payable only in Queensland, Western Australia, the Public Accounts Committee in New South Wales and scrutiny committees in the Northern Territory.

Of particular note in relation to sitting fees is a change that has been made recently in South Australia whereby committee sitting fees for ordinary members have been abolished but offset by an increase in basic salary.⁶⁹

The *Parliamentary Remuneration (Determination of Remuneration) Amendment Act 2015 (SA)* which commenced on 29 October 2015 provides that the SA MPs basic salary will now be \$42 000 less than federal base salary plus a common allowance determined each year by the SA Remuneration Tribunal. The common allowance replaced some entitlements of members of the Parliament of South Australia, which are abolished by the Amending Act. Those abolished entitlements were:

- (i) An annual travel allowance prescribed by Determination 1 of 2012 made by the Tribunal,
- (ii) A metrocard special pass for intrastate travel on metropolitan public transport,
- (iii) Free unlimited interstate rail travel and a limited entitlement to be accompanied by a spouse on such travel, and
- (iv) Remuneration for ordinary membership of committees of the Parliament, which previously amounted to between \$15,313 and \$18,376 per annum, depending upon the committee.

On 15 December 2015 the SA Remuneration Tribunal determined the common allowance effective from 1 January 2016 to be \$30 294 (comprising \$17 124 to compensate for loss of travel allowance and \$13 170 for service on parliamentary committees).

Table 11 Committee Fees/Additional Salary – Australian Parliaments

Parliament	Chair ⁷⁰	Member
Commonwealth ⁷¹	\$5 854 (3%) - \$31 221 (16%)	NA
ACT ⁷²	\$13 676 public affairs committee	NA
NSW ⁷³	\$195 per day (but not if remunerated as an office holder)	\$4 515 Public Accounts only
Northern Territory ⁷⁴	\$30 662 ⁷⁵ (20%)	\$15 331 (10%)

⁶⁹ *Report and Determination No 7 of the Remuneration Tribunal of South Australia*, 15 December 2015.

⁷⁰ Note: Commonwealth, WA and Victoria have additional salary for Deputy Chairs.

⁷¹ *Remuneration Tribunal Determination 2015/06*, Table 1.

⁷² *ACT Remuneration Tribunal Determination 2 of 2015*, section 3.

⁷³ *Annual Report and Determination of Additional Entitlements for Members of the NSW Parliament*, 28 August 2015 section 4.3.

⁷⁴ *Northern Territory of Australia Remuneration Tribunal Report and Determination No 1 of 2015*, Schedule 1.

Parliament	Chair ⁷⁰	Member
	scrutiny committee ⁷⁶	scrutiny committee
Queensland ⁷⁷	\$57 538	\$23 031
South Australia ⁷⁸	\$21 438 (14%) - \$26 032 (17%)	NA
Tasmania ⁷⁹	\$145/day (0.12%) Standing Committees	\$121/day (0.1%) Standing Committees
Victoria ⁸⁰	\$7 264 (5%) - \$21 792 (15%)	NA
Western Australia ⁸¹	\$14 864 Standing Committee	\$10 405 Standing Committee

The 2014 Report recommended that:

- (i) The daily sitting fee for a member of a Standing Committee be abolished with effect from 1 July 2014; and
- (ii) The Chair of a Standing or Select Committee 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 to take effect from 1 July 2014.

The Commission sought submissions about whether there is reason to depart from the recommendation of the 2014 Report.

The **ANMF (Tas)** supports:

“ incorporating the daily committee fee as part of the work value study sitting requirements which should be factored in to the basic salary and abolishing this fee. It is expected that parliamentarians participate in committee work ”.

Similarly **Unions Tasmania** sees no reason why the daily committee fee should be retained. It submits that the basic salary has increased (noting it supports the basic salary being increased to \$128 000 pa adjusted by the differential between that salary and the average of the salaries of the members of the State and Territory Parliaments (excluding Tasmania) determined at 1 January 2015) and committee work is a core part of the work of a parliamentarian and should not be subject to additional remuneration.

The **CPSU** also supports the 2014 Report recommendation that sitting fees for members of committees be abolished, and suggests the sitting fee for the chairs of parliamentary committees should be replaced by an additional salary loading (as applies to the Chairs of Committee). It proposes that the loading be calculated as \$145 multiplied by the average number of days a committee chair would sit.

The activity data provided to us by the Clerks suggests the pattern of committee work described at the time of the 2014 Report has continued. The average length of committee meetings varies

⁷⁵ From 1 January 2016.

⁷⁶ Excludes House, Privileges, Standing Orders and Members' Interests.

⁷⁷ Queensland Independent Remuneration Tribunal Determination 3/2014.

⁷⁸ Parliamentary Remuneration Act 1990 (SA) – Schedule.

⁷⁹ Parliamentary Salaries, Superannuation and Allowances Act 2012 (Tas), clause 3 of Schedule 6.

⁸⁰ Parliamentary Salaries and Superannuation Act 1968 (Vic), section 6, Table.

⁸¹ Salaries and Allowances Tribunal (WA) Remuneration of Members of Parliament - Determination, 23 June 2015, Section 2.3.

considerably from 15 minutes (possibly just a telephone conference) up to several hours but typically in the range of one to three hours. Where applicable, the sitting fee is paid on a per day basis, irrespective of the time occupied in the meeting.

Again no persuasive argument was advanced as to why sitting fees are payable to members of Standing Committees but not Select Committees.

Based on the information provided in the 2014 Report⁸², the average annual cost of sitting fees paid for the years 2006-07 to 2012-13 was \$15 047 in the Legislative Council and \$15 952 in the House of Assembly.

From the information we were provided for 2014-15 as part of this Inquiry, the costs were higher than those averages - Legislative Council \$18 876 and House of Assembly \$27 360.

On the basis that Ministers and the Presiding Officers generally do not sit on committees, the fee paid on average per member appears to be in the order of \$1 594 pa.

We think it is also worth clarifying in this Report the difference between the additional salary loading paid to the Chair of Committees and the sitting fee paid to a chair of a committee. Some submissions that we received appeared to confuse these two different entitlements.

The Chair of Committees is an office of the Parliament. There is one in each House. An MP is elected to that role after the President or the Speaker (as the case may be) is decided. The role is sometimes referred to as Deputy President or Deputy Speaker, as one of the main functions is to take over as Chair (ie preside over the proceedings and enforce the Standing Orders and Rules) when required to do so by the President or Speaker. The other specific function is during debates of legislation. If a motion is carried to endorse a bill in principle after the second reading, and then the bill proceeds to what is known as the Committee stage, the President or Speaker leaves the Chair. The Chair of Committees then presides as the bill is considered clause by clause and amended where necessary. The chamber may be referred to as a 'Committee of the Whole' during this period. At the end of that process the chair reports back to the President or Speaker who resumes as the presiding officer and the third reading takes place. The Chair of Committees may also become Acting President or Acting Speaker, as the case may be, during any lengthy absences of the relevant Presiding Officer, for example due to extended illness. In this case the Chair of Committees would also be undertaking those parts of the role of the Presiding Officer not associated with the Chamber or the House sitting - ie administrative functions, appointments, representing the Chamber or House etc.

As an office holder of the Parliament the Chair of Committees in each House receives an additional salary of 20 per cent of the basic salary.

The role described above is different from that of a chair of a parliamentary committee. Parliamentary committees are established for different purposes and by different methods. Some are established by statute (ie the Integrity, Public Works, Public Accounts and Subordinate Legislation Committees) and others are set up in response to a motion approved by one or both Houses. Some committees are made up of members of both Houses, whereas others comprise members of one House. There are standing committees (ie always established by each Parliament) and select committees (established when necessary) which regulate some of the functions of the Parliament (eg the Joint House and Library, Standing Orders, Privileges and Printing Committees).

⁸² See 2014 Report, Table 10, page 46.

From time to time MPs may see the need to appoint a select committee to inquire into a specific matter (eg to conduct an inquiry into a sector of the economy) and report back to it. These committees can be select committees of one House only or joint select committees made up of members of both Houses.

In all cases each committee established will comprise a chair and other designated or elected MPs. It is the appointed chairs of these committees (who may be any of the MPs) who are entitled to receive the sitting fee provide by clause 3 of Schedule 6 to the 2012 Act, and the matter under review in this part of the Report.

The 2014 Report concluded 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. The Report recommended that sitting fees for members of Standing Committees be abolished.

We agree with this conclusion.

There is, however, a strong case for continuing the allowance for committee Chairs. We are advised that, while administrative support is provided through the staff of the Parliament, the role of the Chair is certainly over and above that of a committee member. The Chair is responsible for managing the evidentiary process and importantly, finalising the draft report prior to consideration by the committee as a whole.

The **CPSU** submits that this additional responsibility should be recognised through a salary loading. This is a common practice in other jurisdictions. There is, however, insufficient evidence before us to proceed down this path with safety although it may be worthy of consideration in future reviews.

10.2 Recommendation

We recommend that:

- (11) The sitting fees for members of Standing Committees be abolished with effect from 1 July 2016.**
- (12) The Chair of a Standing or Select Committee 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 2016.**

11 Telecommunications Allowance

11.1 Information

The 2012 Act provides that there is payable to each MP a Telecommunications Allowance as follows:⁸³

" (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*

⁸³ See Clause 4 of Schedule 6 to the 2012 Act.

(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."

The 2014 Report also noted that, in addition to this allowance, each MP has access to a Members' Resource Allowance (MRA) of \$7 500 pa. This allowance is provided under a policy decision of the Government through a budget allocation. It is not provided as a legislated provision under the 2012 Act.

The MRA has been used for the purpose of purchasing hardware items, such as a smart phone, tablet (iPad), laptop computer and docking station. The 2013 Tribunal was also informed that the MRA may also be used to fund the data component of these devices. The MRA 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 considered adequate for the purpose for which it is intended.

The 2014 Report noted that mobile phones are administered on the basis of a 'whole of parliament' contract. Members are sent an account on a regular basis for 20% of the data and call charges applicable to that phone. In 2013 there appeared to be widespread satisfaction with this arrangement.

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 and often people have dispensed with a 'traditional' landline all together.

In 2013 fewer than half of MPs appeared to submit claims for reimbursement for the costs of a home telephone service. The 2014 Report recommend the replacement of existing arrangements with a standard monetary allowance of \$50 per month, but only where there was evidence provided that a home landline was installed at the MP's home.

The 2014 Report did not recommend that there be any change to 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. It was to remain unlimited.

In the 2014 Report the Tribunal observed that telecommunications and technology are changing rapidly and it is not difficult to envisage the day when fixed line home telephones will no longer be a reimbursable component of any telecommunications package.

The Commission sought submissions about the form any future telecommunications-based allowance should take.

The **CPSU** notes that MPs, like other workers, need reasonable access to the tools needed to do their jobs. Modern phone and group data plans that can include uncapped usage mean that benefits that once existed by proportioning some phone and internet data as a personal cost often now incur greater administrative costs than savings.

MPs should be given the IT and communications equipment required to do the job and it should be put on appropriate plans and paid by the taxpayer. Clear policies should be developed for phone and data usage and individual members should be able to choose the equipment they prefer from a list of options.

MPs should be contactable on their mobile device and so should not be recompensed for the provision of a landline home telephone service.

The **ANMF (Tas)** submits that the provision of smart mobile phones with current 80% call/data paid but not home lines should be allowable. However, it considers that the (administrative) Member's Resource Allowance (\$7 500 pa) should be removed and IT equipment required by MPs to do their work be supplied from the 'whole of parliament' contract. As mentioned in section 9.1 it is also noted that 'home office expenses' and 'Internet access fees' are included as part of the Electorate Allowance and this should be clarified.

Unions Tasmania proposes that the entitlement of an MP to the Telecommunications Allowance be removed.

From the information before the Commission, the MRA continues to be considered adequate for the purposes for which it was intended.

In relation to home-based landline services, the difficulties identified in the 2014 Report continue to be apparent.

We were informed that only approximately 25% of MPs actually submit a claim for reimbursement, which is a lower proportion than in 2014.

Given the portability of technology and the support provided by the Parliament and through the MRA there is in our view no justification for continuing with reimbursement for home based landline services.

We also note that the 2006 Committee of Review specifically noted that the Electorate Allowance covers *inter alia* 'home office expenses' and 'internet access fees'. We recommend that this component of the Telecommunications Allowance be discontinued from 1 July 2016.

The cost of the Telecommunications Allowance has decreased significantly over time and is now less than half what it was five or six years ago (see Appendix 5).

A mobile telephone is undeniably an essential tool of trade for an MP, the cost of which should be largely borne by the Parliament.

11.2 Recommendation

We recommend that:

- (13) The existing rate of reimbursement of mobile phone charges be increased from 80% to 90%.**
- (14) The entitlement to reimbursement of service and equipment charges for one telephone service installed in an MP's home and 80% of all call charges applicable to that fixed line cease.**
- (15) These revised provisions apply from 1 July 2016.**
- (16) The arrangement in relation to the reimbursement of mobile phone charges for office holders designated in clause 4(3) of Schedule 6 to the 2012 Act continue.**

12 Entertainment Allowance

12.1 Information

The Premier, President of the Legislative Council and the Speaker of the House of Assembly are entitled to an Entertainment Allowance⁸⁴, which is specified as a percentage of the basic salary (Table 12).

Table 12 Entertainment Allowance, Tasmanian Office Holders

Office	Allowance (% of basic salary)
Premier	12%
President of the Legislative Council	6%
Speaker of the House of Assembly	6%

Submissions received by the Tribunal generally supported the continuation of this allowance and the Tribunal recommended no change. The Commission invited submissions as to whether there are any reasons to depart from the recommendation of the 2014 Report.

There is a widespread recognition that the designated office holders are required to entertain on behalf of the State and that such costs, within reason, should be met by the Crown.

The **CPSU, Unions Tasmania** and the **ANMF (Tas)** support the intention of this benefit but call for greater transparency and clarity in the purpose. **ANMF (Tas)** expresses a preference for such costs to be met from a budget allocation rather than paid as an allowance to the individual. **Unions Tasmania** supports reimbursement of actual costs rather than a defined allowance.

There is some merit in these suggestions. However there is no evidence that this allowance has in any way been misused, and in such circumstances there is no reason to propose that it not continue as is.

12.2 Recommendation

We recommend that:

(17) The existing Entertainment Allowance for the Premier, President of the Legislative Council and Speaker of the House of Assembly continue without change.

13 Away from Home Travelling Allowance

13.1 Information

In the 2012 Act the Away from Home Travelling Allowance is expressed in the following terms:⁸⁵

- " (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.*

⁸⁴ See Clause 5 of Schedule 6 to the 2012 Act.

⁸⁵ See clause 6 Schedule 6 to the 2012 Act.

- (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)."*

The 2014 Report did not recommend any substantive change to this provision. The Tribunal noted there was no evidence that MPs require a more generous arrangement than that applicable to State Servants. As such, the question of adequacy is better served through the normal Award mechanism.

In a submission to the Tribunal the CPSU had observed that under the current wording the allowance may be read to entitle MPs to meal allowances for day travel, which does not generally apply to 'Public Service workers'. Although the Tribunal did not consider that this was an accurate reading of the allowance, it sought to avoid any doubt by recommending an amendment to the provision to ensure that both the rates and conditions from the Tasmanian State Service Award apply.

The wording proposed was that:

" 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."

The Commission sought submissions as to the adequacy or otherwise of this entitlement and whether there is reason to depart from the recommendation of the 2014 Report.

Unions Tasmania supports the principle that when MPs are required to travel for work reasons away from their home base they should be provided a reasonable standard of meals and accommodation at no out of pocket expense to themselves. It considers that:

" This can either be done by their employer meeting the costs of meals and accommodation or by the payment of allowances capped at the ATO limit."

The **CPSU** submits that:

" Tasmanian politicians required to travel away from home to undertake their role should receive identical benefits as those paid to other public servants as set out in the Tasmanian State Service Award".

This approach is supported by the **ANMF (Tas)** in its submission.

Unions Tasmania further notes that currently MPs are entitled to meal allowances for day travel. It submits that:

" There should be a consistent approach to the provision of meal allowances, generally workers are not entitled to meal allowances on day travel unless they start before their normal start time or finish after their normal finish time. Usually day travel does not provide for the payment of a lunch allowance. This approach should also apply to politicians."

The Travelling Allowance is payable for eligible travel connected with parliamentary business, which, we are advised, includes:

- (i) Parliamentary sittings,

- (ii) Party meetings,
- (iii) Committee meetings, and
- (iv) Any other parliamentary business approved by the President of the Legislative Council or the Speaker of the House of Assembly as appropriate.

Unlike most other parliaments, the allowance is not payable for travel on other electorate business, the costs of which must be met by the MP, presumably out of the Electorate Allowance.

We see no reason to depart from the minor change proposed in the 2014 Report.

13.2 Recommendation

We recommend that:

- (18) The Away from Home Travelling Allowance remain unchanged apart from amending subclause 2 of the definition of the allowance so that it reads**

“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.”

- (19) This revised provision apply from 1 July 2016.**

14 Bass Strait Islands Travelling Allowance

14.1 Information

The Bass Strait Islands Travelling Allowance⁸⁶ provides that an MP travelling to the Bass Strait Islands on official parliamentary business is entitled to an allowance equivalent to the reimbursement of expenses incurred.

The 2014 Report noted that this provision had universal support and it should continue in the current form.

The Commission sought submissions as to whether there are any reasons to depart from the recommendation of the 2014 Report.

Only the **ANMF (Tas)** suggests any alternative view. It submits that:

“This allowance should be included in the higher electorate allowance for those relevant electorates covering the Islands.”

However this doesn't take into account that MPs from any electorate may travel to the Islands.

The cost of this allowance is relatively modest (we were advised \$3 550 in 2014-15) and we see no reason to depart from the existing provision.

14.2 Recommendation

We recommend that:

- (20) The existing Bass Strait Islands Travelling Allowance continue.**

⁸⁶ See clause 7 of Schedule 6 to the 2012 Act.

15 Taxi Allowance

15.1 Information

The 2012 Act⁸⁷ provides that, in order to avoid the necessity for a ministerial driver to be on call, a taxi allowance is payable to a Minister by way of a voucher.

The 2014 Report accepted the view of the then State Government 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 be a specified 'allowance' in the 2012 Act.

The Commission sought submissions as to whether there are any reasons to depart from the recommendation of the 2014 Report.

All the submissions that made mention of the Taxi Allowance support the recommendation of the 2014 Report.

We agree with the 2014 recommendation that this is a sensible arrangement which should be an administrative practice rather than a specified allowance.

15.2 Recommendation

We recommend that:

(21) The Taxi Allowance be discontinued from 1 July 2016.

16 Resettlement Allowance

16.1 Information

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, cease 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.

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 (as varied on 25 January 2013) provides a summary of reasoning for a Resettlement Allowance:⁸⁸

" 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 counselling, 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."

Table 12 provides information about the Resettlement Allowances provided by Australian parliaments. Currently Tasmanian MPs do not have an entitlement to a Resettlement Allowance.

⁸⁷ See clause 8 of Schedule 6 to the 2012 Act.

⁸⁸ See *Salaries and Allowances Act 1975 Determination Variation of the Western Australian Salaries and Allowances Tribunal*, 25 January 2013 Clause 1.2 of Part 8.

Table 12 - Resettlement Allowance in Australian Parliaments

Jurisdiction	Arrangements
Commonwealth ⁸⁹	3 months' basic salary plus an additional 3 months for a member who has served more than a full term (or 3 years in the case of a senator for a state). Eligible if defeated at an election or loses party endorsement
ACT ⁹⁰	2 weeks of basic salary for each year of service, capped at 12 weeks. All retiring and/or defeated MPs eligible
NSW	Nil
Northern Territory ⁹¹	1 month of salary after one term as a Member of the Assembly, plus one month for each subsequent year served as a Member with a minimum of four months and a maximum of 12 months
Queensland ⁹²	Members elected on or after 1 October 2014 - 12 weeks of basic salary Members elected before 1 October 2014 – equivalent to Commonwealth resettlement allowance
South Australia ⁹³	12 weeks of basic salary
Tasmania	Nil
Victoria ⁹⁴	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.
Western Australia ⁹⁵	3 months' of basic salary for MPs serving one term. 6 months' of basic salary for MPs serving more than one term but less than three. 9 months' of basic salary for MPs serving three terms or more.

The 2014 Report noted that there is a compelling case for a Resettlement Allowance in Tasmania.

The Tribunal recommended that from 1 July 2014 MPs be entitled to a Resettlement Allowance equivalent to 12 weeks of basic salary subject to meeting the following criteria:

- (i) Members have served at least one full term immediately prior to an election.
- (ii) Members are defeated at a subsequent election or lose party endorsement.
- (iii) Members elected at a by-election or a recount will not be eligible until they have served at least one full term.

⁸⁹ *Remuneration Tribunal Determination 2012/04 Members of Parliament – Entitlements*, Sections 9.6-8.

⁹⁰ *ACT Remuneration Tribunal Determination 2 of 2015*, section 5.

⁹¹ *Northern Territory of Australia Remuneration Tribunal Report and Determination No 1 of 2015*, section 15.

⁹² *Legislative Assembly of Queensland - Members Remuneration Handbook*, July 2015, section 3.2.3.

⁹³ *Parliamentary Remuneration Act 1990 (SA)*, section 5A.

⁹⁴ *Parliamentary Salaries and Superannuation Act 1968 (Vic)*, section 7E.

⁹⁵ *Salaries and Allowances Tribunal (WA) Remuneration of Members of Parliament - Determination*, 23 June 2015, Part 8.

- (iv) 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.

As with all the recommendations of the 2014 Report this proposal has not been implemented. Several jurisdictions (Queensland, Western Australia and the Northern Territory) have updated their resettlement allowances since then.

The Commission sought submissions as to whether the recommendation of the 2014 Report or some other construction of a resettlement allowance should be adopted.

Unions Tasmania, the **CPSU** and the **ANMF (Tas)** all support the principle of a Resettlement Allowance, albeit with slightly differing positions from the 2014 Report recommendation.

The concept is strongly opposed by **Mr Cooke**, who likened the rationale for such an allowance to "*all the other kids get one*" syndrome.

We acknowledge that individuals stand for Parliament with their eyes open and that there is an argument that being an MP is akin to a fixed term contract for which there should not be additional recompense when the 'contract' comes to an end.

However, as observed in the 2014 Report, there is an important distinction. Sitting MPs generally do not approach an election with the intention or expectation 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.

We also consider there to be a persuasive case for a Resettlement Allowance in Tasmania and see no reason to depart from the 2014 recommendation. The cost of such an allowance is likely to be modest. Based on the 2014 election results, the cost over the life of the Parliament would have been the equivalent of approximately \$34 000 pa.

The 2012 Act does not currently provide for a Resettlement Allowance. We have taken legal advice as to whether the Commission may include such an allowance in a determination.

Given that advice, we provide the following information.

The Commission's power is to inquire into "*the kinds of, and amounts of, the allowances and benefits to be paid*".⁹⁶ Further, the Commission must prepare a report that includes a determination of relevant matters.⁹⁷ A relevant matter includes the kinds of, and amounts of, the allowances and benefits to be paid.⁹⁸ In each case, allowances and benefits are defined as those to which members of Parliament are entitled under Schedule 2.⁹⁹ In particular after the 2015-2016 financial year, the amounts of the allowances and benefits payable to a member of Parliament are those amounts of allowances and benefits specified in provisions that are included in a determination for the relevant period.

The 2012 Act does allow the Commission to bring a further (new) allowance into existence merely by virtue of a determination. Of course the Parliament may still disallow a determination that includes a new allowance if that is the majority view in both the Houses of the Parliament.

⁹⁶ See section 3C(d) of the 2012 Act.

⁹⁷ See section 3D(1)(d) of the 2012 Act.

⁹⁸ See section 3D(d) of the 2012 Act.

⁹⁹ See the definition of 'allowances and benefits' in section 3 of the 2012 Act.

However, the 2012 Act only provides for the salary, allowance and benefit entitlements of members, not for persons who used to be members.

In relation to members of the House of Assembly section 6 of the 2012 Act provides that:

“ Where a member of the House of Assembly ceases to be a member of that House by reason of the dissolution of that House or the expiry of that House by the effluxion of time, he or she is, notwithstanding the cessation of his or her membership of that House, entitled to continue to receive the parliamentary salary and allowances and benefits payable to that member until the day fixed for the taking of the poll next following the dissolution or expiry of that House.”

The eligibility to the Resettlement Allowance we propose occurs only after a person ceases to be a member and indeed that entitlement can only be determined after polling day, and so is outside the current scope of the Act.

It appears that it is not possible under the current provisions of the Act to provide an entitlement for a resettlement or any other allowance to persons who may have been but are no longer members of the Parliament.

However, the Commission is given the power to inquire into other matters that are, or are considered *to be related to* (emphasis added) the kinds and amounts of allowances and benefits to be paid to a member.¹⁰⁰ Its report may include those other matters into which it has inquired.¹⁰¹

Consequently, we see no reason why the Commission should not consider whether a Resettlement Allowance might be appropriate under the Act and include a recommendation about that in this report.

The Parliament can then consider, in response to an appropriate amendment proposed by the Government or a private member whether or not the 2012 Act should be amended to specifically provide for such an allowance.

As such, we recommend a Resettlement Allowance but do not include it in the Determination made in this Report.

16.2 Recommendation

We recommend that:

(22) The 2012 Act be amended so that from 1 July 2016 MPs shall be entitled to a Resettlement Allowance equivalent to 12 weeks of basic salary subject to meeting the following criteria:

- (i) Members have served at least one full term immediately prior to an election.**
- (ii) Members are defeated at a subsequent election, or lose party endorsement and either do not seek re-election or do stand¹⁰² at the next election but are not re-elected.**
- (iii) Members elected at a by-election or a recount will not be eligible until they have served at least one full term.**

¹⁰⁰ See section 3C(2) of the 2012 Act.

¹⁰¹ See section 3D(1)(e) of the 2012 Act.

¹⁰² As an independent or a member of another party, for instance.

- (iv) **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.**

(23) The Resettlement Allowance apply to any person who is a member of Parliament on 1 July 2016, or elected after that date, who meets the criteria.

17 Other Matters

17.1 Cost of Allowances and benefits

Appendix 3 of the 2014 Report provided information about the costs of various allowances from 1997-98 to 2012-13.

We thought that it would be beneficial to provide an up-to-date list of similar information.

Appendix 5 of this Report provides information about the costs of various allowances from 1997-98 to 2014-15, and we thank the Clerks of the Houses of Parliament for providing this data.

17.2 Codification of Leave Arrangements

MPs do not enjoy codified entitlements to annual leave, personal leave, long service leave and parental leave etc.

Both **Unions Tasmania** and the **ANMF (Tas)** suggest there be further consideration by the Commission on establishing a minimum set of leave conditions. The **Labor Opposition** expresses a similar view. **Mr Cooke** supports the introduction of parental leave in line with the "State standard".

This issue was discussed in the 2014 Report which noted that:¹⁰³

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

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.

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."

Nothing has been put to us that persuades us to go down the codification path.

17.3 Electorate Office Staffing

The **Labor Opposition** submits that the entitlement to Electorate offices should be clarified and expressed in a documented Electorate Office Policy. This policy should confirm that the House of Assembly is to manage all Electorate offices for its Members; the Legislative Council is to manage

¹⁰³ See paragraphs 5.10.9 to 5.10.11 of the 2014 Report.

all Electorate offices for its Members, with the Department of Premier and Cabinet to be responsible for Ministerial offices.

The submission states that consideration should be given to the appropriateness and safety of single-staff electorate offices and allowing for backfilling positions while staff are on leave. The appropriate structure should, the submission contends, be determined independently of politicians.

The matter of Electorate offices and their staffing is not directly covered by the 2012 Act and so the issue is possibly beyond the jurisdiction of the Commission.¹⁰⁴ For the Commission to consider the matter a reference by the Minister under section 3C(3) of the 2012 Act would seem the appropriate mechanism to trigger such a review.

In the meantime we have prepared a summary of administrative/staffing arrangements for Electorate offices in State and Territory Parliaments, to the extent that such information is available to us. This summary is found at Appendix 6.

17.4 Miscellaneous

For completeness we list some other matters raised in submissions to our Inquiry which we considered beyond our remit, though others may wish to take note of them.

(1) Publication of each member's activities and expenditure

Mr Cooke submits that:

" I believe that it is time that politicians should be accounting for their time, activities and all their costs and benefits they derive from the public purse. Within three days of the end of each calendar month, this data should be published at a common web address."

(2) Total 'cost' of each individual member

Mr Cooke also suggests that it would be worthwhile to tabulate and publish the actual entitlements of each individual MP, so that there was a total for each MP that included basic salary, any additional salary, the relevant electorate allowance, any entertainment allowance etc.

(3) Induction for MPs

Unions Tasmania suggests that:

" there be established a mechanism to ensure that newly elected MPs are provided with an induction process and opportunity to undertake skill development."

18 Publication of Information

18.1 Information

As a Commission we consider that it is essential that information about the current salaries and allowances payable to MPs is readily available.

As at 1 July 2015, all that information is set out in the 2012 Act. However, in future years, assuming our determinations are not disallowed, that information will be out of date. Up-to-date information on the applicable amounts of salaries and allowances may be hard to find.

¹⁰⁴ However, we note clause 2(c) of Schedule 2 to the 2012 Act that provides, in part, that an MP is entitled to staff, office accommodation, equipment (including the capital and recurrent costs of that equipment), facilities and other resources provided to assist an MP in the performance of the MP's duties. But it is unclear whether this provision relates to just offices and staff at the Parliament rather than in electorates as well.

For example, we have recommended that the basic salary for MPs be adjusted by the change in the WPI, Ordinary Time Hourly Rates of Pay Excluding Bonuses; Tasmania, Private and Public; All Industries (ABS Catalogue 6345.0) for the twelve months preceding the December quarter in each relevant financial year. Such adjustment is to take effect from 1 July next occurring. Similarly in relation to the motor vehicle allowance, we recommend that it be adjusted by the change in the relevant CPI index for the 12 months preceding the December quarter in each financial year, and will apply from 1 July next occurring.

It may not be easy for a person unfamiliar with the ABS data sets to source and calculate what the respective salary and allowance is at a particular point in time.

There is also the possibility for variances to occur in the calculation of these adjustments if there are different approaches to rounding or the application of composite increases over a number of years.

We note that under section 31 of the 2012 Act if a determination is not disallowed, the President of the Commission is to ensure that there is published in the *Gazette* a notice setting out the determination. However, where a determination covers more than one year and adjustment mechanisms for some items are included for those years, the actual amount of a salary or allowance as adjusted may be unclear.

Prior to the 2015 Act, it was a duty of the Auditor-General to calculate and publish (via a notice in the *Gazette*) the details of the amounts of the basic salary and those allowances that were adjusted in line with the basic salary.

Under the current arrangements, the Commission is a more appropriate authority to calculate adjustments to salaries and allowances, based on the mechanisms we have recommended. However, we think that most people seeking information about the salaries, allowances and benefits applicable to MPs are likely to be drawn to the Parliament for that information.

18.2 Recommendation

We recommend that:

- (24) Each time a salary or allowance is adjusted by the respective determined adjustment mechanism the Commission calculate the amount of the salary or allowance due to that adjustment and provides that information to the Clerk of each House of Parliament, on or before the date such adjustments take effect.**
- (25) The Parliament of Tasmania maintain a suitable area on its website to publish the current amounts of salary and allowance amounts applicable to MPs.**
- (26) The President of the Commission and the Clerks of the Houses of Parliament work together to determine a suitable form for that information.**

19 Summary of Recommendations

Basic Salary

- (1) The basic salary as at 1 July 2016 be determined to be \$133 560 pa.

- (2) From 1 July 2017, the basic salary be adjusted by the change in the WPI, Ordinary Time Hourly Rates of Pay Excluding Bonuses; Tasmania, Private and Public; all Industries (ABS Catalogue 6345.0) for the twelve months preceding the December quarter in each relevant financial year.

Next Review

- (3) The next Inquiry under the 2012 Act by the Commission take place in 2017-18, with any change to take effect from 1 July 2018. This will allow for an earlier consideration of any unanticipated external factors that would otherwise have occurred under the proposed three yearly reviews.

Additional Salary

- (4) The current amounts of additional salary, defined as percentages of the basic salary which are specified in the 2012 Act, continue and be unchanged for the period of the 2016 Determination, ie from 1 July 2016 until 30 June 2018.
- (5) As part of the 2017-18 Inquiry by the Commission, the quantum of additional salary paid in relation to the offices of President of the Legislative Council and Speaker of the House of Assembly be considered in particular.

Motor Vehicle Allowance

- (6) The Motor Vehicle Allowance should be recalculated based on the 2014 recommendation, adjusted for the change in the CPI, Hobart, All Groups (ABS Catalogue 6401.0) between June quarter 2014 and December Quarter 2015. This results in an allowance of \$15 613 pa and will apply from 1 July 2016.
- (7) Thereafter the Motor Vehicle Allowance be adjusted by the change in the relevant CPI index for the 12 months preceding the December quarter in each financial year, and will apply from 1 July next occurring.

Electorate Allowance

- (8) The Electorate Allowance be recalculated, based on the 2014 recommendation, adjusted for the change in the CPI, Hobart, All Groups (ABS Catalogue 6401.0), between June quarter 2014 and December quarter 2015, to apply from 1 July 2016.
- (9) Thereafter the Electorate Allowance be adjusted by the change in the relevant CPI index for the 12 months preceding the December quarter in each financial year, to apply from 1 July next occurring.
- (10) The objective, legitimate uses and administration of the Electorate Allowance be considered as related matters (in the sense of section 3C(2) of the 2012 Act) for the purpose of the next Inquiry of the Commission in 2017-18.

Committee Sitting Fees

- (11) The sitting fees for members of Standing Committees be abolished with effect from 1 July 2016.
- (12) The Chair of a Standing or Select Committee 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 2016.

Telecommunications Allowance

- (13) The existing rate of reimbursement of mobile phone charges be increased from 80% to 90%.
- (14) The entitlement to reimbursement of service and equipment charges for one telephone service installed in an MP's home and 80% of all call charges applicable to that fixed line cease.
- (15) These revised provisions apply from 1 July 2016.
- (16) The arrangement in relation to the reimbursement of mobile phone charges for office holders designated in clause 4(3) of Schedule 6 to the 2012 Act continue.

Entertainment Allowance

- (17) The existing Entertainment Allowance for the Premier, President of the Legislative Council and Speaker of the House of Assembly continue without change.

Away from Home Travelling Allowance

- (18) The Away from Home Travelling Allowance remain unchanged apart from amending subclause 2 of the definition of the allowance so that it reads:

" 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."

- (19) This revised provision apply from 1 July 2016.

Bass Strait Islands Travelling Allowance

- (20) The existing Bass Strait Islands Travelling Allowance continue.

Taxi Allowance

- (21) The Taxi Allowance be discontinued from 1 July 2016.

Resettlement Allowance

- (22) The 2012 Act be amended so that from 1 July 2016 MPs shall be entitled to a Resettlement Allowance equivalent to 12 weeks of basic salary subject to meeting the following criteria:

- (i) Members have served at least one full term immediately prior to an election.
- (ii) Members are defeated at a subsequent election, or lose party endorsement and either do not seek re-election or do stand¹⁰⁵ at the next election but are not re-elected.
- (iii) Members elected at a by-election or a recount will not be eligible until they have served at least one full term.
- (iv) 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.

¹⁰⁵ As an independent or a member of another party, for instance.

- (23) The Resettlement Allowance apply to any person who is a member of Parliament on 1 July 2016, or elected after that date, who meets the criteria.

Publication of Information

- (24) Each time a salary or allowance is adjusted by the respective determined adjustment mechanism the Commission calculate the amount of the salary or allowance due to that adjustment and provides that information to the Clerk of each House of Parliament, on or before the date such adjustments take effect.
- (25) The Parliament of Tasmania maintain a suitable area on its website to publish the current amounts of salary and allowance amounts applicable to MPs.
- (26) The President of the Commission and the Clerks of the Houses of Parliament work together to determine a suitable form for that information.

20 Acknowledgements

We would like to acknowledge the cooperation of the Clerks of the Legislative Council and House of Assembly, David Pearce and Shane Donnelly, both of whom met privately with the Full Bench and also provided important statistical and financial data.

We also express our appreciation to the Secretary of the Department of Premier and Cabinet who facilitated the placement of Philip Foulston and Clare Jacobs with the Commission at various times during the Inquiry. The research, administrative and drafting support provided by Philip and Clare has been invaluable.

Tim Abey
(President)
29 February 2016

Nicole Wells
(Deputy President)

Michael Roberts
(Commissioner)

Appendix 1 - List of Submissions

Written submissions were received from the follow individuals and organisations:

- (i) The Australian Nursing and Midwifery Federation (Tasmanian Branch),
- (ii) Mr Eric Boglio,
- (iii) Mr Richard Chugg,
- (iv) Mr Peter Cooke,
- (v) The Community and Public Sector Union (SPSFT) Inc.,
- (vi) The Labor Opposition,
- (vii) Mr Graeme Lindsay,
- (viii) The State Service Management Office,
- (ix) The Tasmanian Greens,
- (x) Unions Tasmania.

The Commission also held separate meetings with the Clerk of the Legislative Council and the Clerk of the House of Assembly to seek factual information and clarification on operational matters related to Parliamentary salaries and allowances.

Appendix 2 - History of Salaries in the Tasmanian Parliament¹⁰⁶

- 1 Chronology of Significant Changes to MPs' Pay
- 2 History of Parliamentary Salaries
- 3 Significant Changes to MPs' Pay

¹⁰⁶ Source: Parliamentary Research Service – updated.

1 Chronology of Significant Changes to MPs' 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 the 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 the 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 the 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 of 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).
- 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 basic 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.

- 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 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.
- 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.
- 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 is 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 MPs had received no increase then due to the 'nexus' a flow-on to Tas. MPs 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 MPs' salary has a 85.19% nexus with Federal MPs' 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 MPs 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 Professional Development 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 the Government's 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*.
- 2013 October, Tribunal released issues paper and called for public submissions.
- 2014 May 2014, Report of the Parliamentary Salaries and Allowances Tribunal Inquiring into Basic Salary, Allowances and Benefits provided to Members of the Tasmanian Parliament
- 2015 Legislation passed to fix MPs salaries as at 1 July 2015, and require Full Bench of the Industrial Commission to determine salaries in future, with first determination required by 1 March 2016.
- September 2015, Full Bench of Commission comprising Timothy John Abey (President), Nicole Mary Wells (Deputy President) and Michael Roberts (Commissioner) releases issues paper and calls for public submissions.
- 2016 February, Full Bench of Commission produces first Report and Determination.

2 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

Year	Title	Act No.
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

Year	Title	Act No.
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
1986	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	33/1990
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
2015	Parliamentary Salaries, Superannuation and Allowances Amendment Act	24/2015

3 Significant Changes to MPs' Pay

Year/Date	Basic Salary	Implemented by	Increase	Comments
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%	

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Year/Date	Basic Salary	Implemented by	Increase	Comments
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%	1997 Report sets basic salary at 85.19% of Commonwealth basic salary
1 July 1997	\$69,733	(<i>Gazette</i> 1 July 1997)	-	Commonwealth nexus
1 July 2000	\$72,837	(<i>Gazette</i> 12 July 2000)	4.45%	5% increase in Commonwealth rate
1 July 2001	\$78,375	(<i>Gazette</i> 11 July 2001)	7.6%	Commonwealth nexus

Year/Date	Basic Salary	Implemented by	Increase	Comments
1 July 2002	\$81,442	(<i>Gazette</i> 1 July 2002)	3.9%	Commonwealth nexus
1 July 2003	\$84,168	(<i>Gazette</i> 1 July 2003)	3.3%	Commonwealth nexus
1 July 2004	\$87,541	(<i>Gazette</i> 1 July 2004)	4%	Commonwealth nexus
1 July 2005	\$90,957	(<i>Gazette</i> 6 July 2005)	4%	Commonwealth nexus
1 July 2006	\$94,689	(<i>Gazette</i> 5 July 2006)	4%	Commonwealth nexus
1 July 2007	\$101,334	(<i>Gazette</i> 1 July 2007)	7%	Commonwealth nexus
1 July 2008	\$108,242	(<i>Gazette</i> 1 July 2008)	6%	Commonwealth nexus
1 July 2009	\$108,242	(<i>Gazette</i> 1 July 2009)	-	
1 July 2010	\$111,633	(<i>Gazette</i> 7 July 2010)	3%	Commonwealth nexus
1 July 2011	\$113,866	(<i>Gazette</i> 14 July 2011)	2%	Linkage with Commonwealth broken after Remuneration Tribunal awards 31% increase. 2% consistent with State wages policy
1 July 2012	\$116,143	(<i>Gazette</i> 4 July 2012)	2%	2012 Act reflecting State wages policy
1 July 2013	\$118,466	(<i>Gazette</i> 3 July 2013)	2%	2012 Act reflecting State wages policy
1 July 2014	\$118,466			
1 July 2015	\$120,835	2012 Act as amended by the 2015 Act reflecting State wages policy	2%	

Appendix 3 – The Role of an MP (extracts from previous documents)

1 Extract from 2013 Issues Paper – section 8

Parliamentarians are not employees and hence comparisons with the wider workforce must be placed in proper perspective. There are not designated hours of work. Normal workforce entitlements such as annual and long service leave do not accrue so as to be available on termination. We do however understand that MPs may take leave during the parliamentary term as opportunity offers. Similarly, there is no equivalent of a redundancy payment in the event that an MP loses party endorsement and/or fails to be re-elected. Note: Federal MPs are entitled to a *Resettlement Allowance* equivalent to three months' salary in such circumstances.

The 1997 Report, in identifying 'significant issues', noted:

"The submissions and observations of members of the Tasmanian Parliament and the Tasmanian Government show general unanimity regarding both their comparability with Federal Parliamentarians and their duties and responsibilities. In particular, concerning the latter and without being exhaustive, the submissions and comments emphasise the unrelenting nature of constituent demands; pressure and stress associated with Parliamentary and Ministerial functions; loss of privacy and disruption to family life; the seven days a week nature of the job, irrespective of whether or not Parliament is sitting; lack of job security; and costs associated with elections and servicing electorates."

In relation to Federal parliamentarians, the Remuneration Tribunal Report 2011 observed:

"The role of a parliamentarian is an unusual one, with a high level of complexity and difficulty. They have in effect two jobs, at least. One role is as a member of a legislature which sits for approximately 20 weeks a year in what is to most parliamentarians a city a long way from home. In this role they have to process large amounts of information over long working days and make decisions on a variety of issues. For instance, Parliament passed 159 Acts in 2008, 136 in 2009 and 150 in 2010. A member of the Parliament for those three years thus had to consider, and vote on, some 445 different pieces of legislation on a wide variety of subjects, not taking into account those that were withdrawn or did not pass through the Parliament. As well, it is almost universal that members have a significant role as holders of additional offices and/or as members of various parliamentary committees.

The second role of the parliamentarian is as the representative of all the residents of his or her electorate, however they vote. In the case of a senator, they represent the state or territory from which they were elected. This is also a challenging task, which fills the 32 weeks when they are not in Canberra, as well as a significant portion of the weeks when they are."

The report went on to identify a number of principles relevant to the determination of salary and allowances. They are:

"The Tribunal in considering both personal remuneration of the individuals who serve in Parliament, and how best their parliamentary and electorate business should be supported by public funding, has relied on a number of principles. These include:

- parliamentary remuneration (like other remuneration determined by the Tribunal) should be set based on the role and responsibilities of a parliamentarian;*
- parliamentary remuneration should be sufficient to allow representation from various members of society with a diverse range of skills, including those who are 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 for the concept of public service;*
- parliamentary remuneration should be clearly expressed - there should not be any hidden benefits;*
- funding for the business expenses of parliamentarians should be sufficient so that parliamentarians can fulfill their functions adequately without having to fund their parliamentary and electorate expenses from their own pockets;*

- *available funding should be clear and easy to understand for parliamentarians, those administering the funding, and the public at large; and*
- *in setting funding levels the Australian experience, that parliamentarians from different electorates across the country have vastly different challenges in servicing their electorates, must be taken into account."*

In a similar vein the Western Australian Salaries and Allowances Tribunal in its August 2013 report observed:

"In exercising its statutory responsibilities, the Tribunal applies broad principles upon which levels of remuneration are determined for all categories of offices and positions within the scope of the SAA Act. These principles, particularized to Members of Parliament, have been applied by the Tribunal to make judgments with respect to the remuneration in this determination. These principles are:

- *the value of a parliamentary position to the State under our democratic system of government;*
- *measures of the 'work value' of Members of Parliament and various offices held by Members in the Parliament; and*
- *the level of remuneration of Members within the context of the environment of wage and salary rates applying generally in the community.*

The Tribunal is conscious of the position of Parliamentarians in our democratic system and that the remuneration of Members should not preclude people from all walks of life from aspiring to enter Parliament."

The Remuneration Tribunal Report 2011 was based on a comprehensive work-value assessment of a Federal backbench MP. Key findings include:

- The majority of members have post-secondary or tertiary education, with a significant number having experience in business, in agriculture or a profession prior to entering Parliament.
- MPs on average work 70 hours per week.
- A Backbencher needs computing skills and a capacity to prepare correspondence and respond to constituents, who send on average, over 1 000 emails each week.
- A Backbencher is responsible and accountable for at least four staff and an Electorate Office budget of between \$500 000 and \$1m.
- The role of a Backbench MP remains broadly similar to that described in the 1988 study, though subsequent to that time the demands on members from 24/7 media and the level and speed of communication sponsored by the new electronic age has placed significant new demands on all Backbench Parliamentarians.
- House of Representatives members represent Electorates with between 85 000 and 130 000 electors.
- The careers of MPs are becoming shorter, generally lasting no more than 12 years. From Federation through to the 1980s the average length of an MP's service was in the range of 16 to 17 years.
- Federal MPs share a collective responsibility for a Commonwealth budget of approx. \$400b.
- The work value of a Backbench MP was found to be equivalent to a substantive Level 1 Senior Executive Service (SES) position in the Australian Public Service (APS). This is equivalent to a role in the APS of a key executive or specialist advisor in a major Department.

A further consideration is the relevance of size (constituency, budget etc) to salary determination for MPs. For example, is the number of constituents in a Member's Electorate a relevant consideration in 'work value' terms? On the one hand it might be argued that if an MP is working full-time, it makes no difference whether there are 20 000 or 120 000 constituents in the Electorate. The work is the same. On the other, it could be argued that the greater the number of constituents, the greater the level of responsibility, complexity and accountability. A similar argument might be mounted in terms of the size of the shared budget responsibility.

An example of this latter approach is found in Tasmanian Local Government Municipalities are categorised based on a formula involving the number of voters and total revenue. Allowances paid to elected councillors are scaled on the basis of this categorisation. That is, the 'larger' the Council, the higher the allowance paid.

It is of course accepted that the role of an MP is not limited to Parliamentary sittings and Committee work. Constituency-based work when parliament is not sitting is an integral part of an MP's role. However is the balance between Parliamentary sittings and constituency work relevant to a work value consideration? Put another way, if parliamentary sitting days reduce (or increase), does this impact on the level of responsibility and accountability for an MP?

2 Extract from 2014 Report - section 4.2

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.

The role of an MP has been discussed in a number of publications including the *Egan Report*¹⁰⁷ and more recently the *Queensland Independent Remuneration Tribunal Determination* (Queensland Determination No 1/2013).¹⁰⁸ The work can be categorised into three components:

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

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:

- *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*

¹⁰⁷ *The Attributes, Role and Reward of a Backbencher in the Federal Parliament*, Egan Associates, November 2011

¹⁰⁸ *Building a new remuneration structure for Members of the Queensland Parliament*, Queensland Independent Remuneration Tribunal, Determination 1/2013, 15 October 2013

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.”*

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.

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.

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.”

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’.

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

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.”

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.

Appendix 4 - Mechanisms for Future Adjustment (extracts from previous documents)

1 Extract from the 2013 Issues Paper - section 10

The Terms of Reference require the tribunal to determine "a *formula or method to enable the annual or other periodic adjustment of that salary...*"

There are a number of mechanisms by which this can be achieved. The options are discussed below.

Legislative enactment

The Parliament is at liberty to legislate both the quantum and means of adjustment of the basic salary. This can be done in absolute terms, or by reference to some other index, cap, or wage movement. There are a number of different approaches to legislative enactment which are summarised in the section covering salary determination in Australian Parliaments.

The advantage of this approach is that it is easier for the Government of the day to impose Government policy, including wage policy where applicable. The disadvantage is that it raises the issue of Members of Parliament determining their own salary, an issue which does not appear to enjoy widespread public support. It also raises the possibility/likelihood of politically based decisions such as the wage freeze and subsequent 40% salary increase in the 1990s.

Linking the Salary to Wage Movements in the State Service

This approach has the advantage of ensuring that the basic salary moves in line with salary movements for the State Public Service. The disadvantage is that the Government (as distinct from the Parliament), is the employer of state servants, and through the workplace bargaining process, is arguably setting, or at least strongly influencing, MP salary movements.

A second 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 appears 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.

A direct link of this nature exists by statute in the Northern Territory¹⁰⁹. In NSW, Government wages policy is similarly reflected by legislation.

Linking the Salary to the Basic Salary in the Commonwealth or other State or Territory Parliaments

This has been a widespread practice in Tasmania and other jurisdictions for many years. It suffers from the same disadvantage as discussed above for linkages generally. This problem was graphically illustrated by the Remuneration Tribunal Report 2011 which increased the salary for a Federal MP from \$140 910 to \$185 000, and at the same time urged that existing linkages between state and commonwealth basic salaries be broken. This linkage was broken in most jurisdictions in a range of different ways. However this did not occur in Queensland¹¹⁰, resulting in a 41.9% increase for Queensland MPs.

Salary levels in Australian Parliaments are of course a relevant consideration as 'part of the mix' when reviewing the basic salary in Tasmania. However for reasons outlined above, a formal linkage of any description is problematic.

Linking the Salary to a relevant ABS Wage/Earnings index

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)

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

¹⁰⁹ Now removed.

¹¹⁰ Since then this has been addressed.

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.

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:

- 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)

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.

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.

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

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

Periodic Reviews

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 paper 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.

An alternative to annual reviews might be to establish a formal linkage with an external measure (ABS or State Service for example) for the two years following the initial determination, with a wider ranging review say every three years.

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

2 Extract from the 2014 Report - sections 4.12 and 4.13

The Notion of a Nexus or Linkage

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

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.

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.”

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

We also note that this issue was canvassed in the *Queensland Determination 1/2013* in which the Tribunal concluded that:¹¹¹

“ 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.”

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

State and Territory Parliaments

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.

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.

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.

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.

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

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*.

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*.

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

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.

The HACSU, by inference, supported a salary adjustment in line with the State Service but was silent on a future adjustment mechanism.

There was limited (and qualified) support for some form of linkage with the State Service from a number of individual submissions.

The position of MPs (past and present) was almost universally opposed to any formal linkage with the State Service.

¹¹¹ Page 58, *Queensland Determination 1/2013*

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.

We do not favour any formal link with a State Service classification for the purpose of establishing the basic salary.

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.

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.

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.

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 13 000 State Servants¹¹², with the obvious budgetary implications). Nonetheless, from the point of view of public perception, it is a consideration which should not be ignored.

In the context of the above discussion we note the observations of the ACT Remuneration Tribunal, with which we broadly agree.¹¹³

“ 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.”

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.

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

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.

Linking the Salary to a relevant ABS Wage/Earnings index

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)

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

¹¹² CPSU Submission p3

¹¹³ *Final Report on the Review of Entitlements for Members of ACT Legislative Assembly, April 2014*

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.

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:

- 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)

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.

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.

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

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

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

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.

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.

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.

Appendix 5 – Cost¹¹⁴ of Various Allowances 1997-98 to 2014-15

Year	Sitting fees	Electorate	Entertainment	Telecomms	Professional Development	Bass Strait	Travel	I/S air	Km.	Motor vehicle	Total
1997-98	24 500	889 045	16 843	79 372	45 268	7 675	223 287	1 619	105 706		1 393 315
1998-99	10 332	738 739	16 843	72 761	85 779	4 194	208 704	1 820	87 798		1 226 970
1999-00	14 112	689 116	16 843	63 303	75 615	4 298	194 001	1 940	85 641		1 144 869
2000-01	16 092	699 095	16 843	60 873	83 330	3 074	206 046	1 500	87 981		1 174 834
2001-02	25 773	697 811	16 843	56 751	77 112	4 802	195 158	1 500	88 486		1 164 236
2002-03	24 272	699 110	16 843	63 330	52 524	5 568	182 344	5 925	67 107		1 117 023
2003-04	33 778	698 800	16 843	54 681	69 083	6 031	207 028	2 184	75 529		1 163 957
2004-05	33 307	697 542	16 843	66 057	47 117	5 473	189 619	2 075	68 211		1 126 244
2005-06	17 814	699 099	16 843	75 343	49 075	3 235	125 774	2 010	41 090		1 030 283
2006-07	33 094	1 226 000	9 468	67 168		1 920	260 234			486 686	2 084 570
2007-08	32 807	1 310 929	10 134	72 722		2 910	218 057			553 772	2 201 331
2008-09	33 388	1 398 563	10 824	88 515		2 254	328 915			675 343	2 537 802
2009-10	36 744	1 399 168	10 824	83 377		6 675	254 515			677 110	2 468 413
2010-11	18 416	1 443 694	11 203	62 101		3 856	315 165			673 911	2 528 346
2011-12	28 966	1 498 692	11 386	64 742		1 714	334 980			596 136	2 536 616
2012-13	33 599	1 531 336	11 341	49 057		3 844	359 799			618 194	2 607 170
2013-14	29 393	1 555 923	11 846	44 362		5 988	300 140			826 899	2 774 551
2014-15	46 236	1 561 838	11 846	38 104		3 550	388 336			773 933	2 823 843

¹¹⁴ Expenditure charged to Parliament House cost centres

Appendix 6 – Electorate Offices and Staff

New South Wales

Section 5.6 of the *NSW Parliamentary Remuneration Tribunal Annual Report and Determination*, 28 August 2015, provides that:

- “ 3.1 Subject to (3.2) below, each Member of the Legislative Assembly shall have two staff members employed at each electorate office.
- 3.2 Each Member of the Legislative Assembly elected as an Independent or a Cross Bench Member shall have an additional staff member employed at his/her electorate office.
- 3.3 Each Member of the Legislative Assembly, not elected as an Independent or a Cross Bench Member, shall be provided with an annual budget specific for the recruitment of temporary staff. The budget is to provide for an additional staff member to be employed in the electorate office or at Parliament House. The budget is to be the equivalent of the salary of a Senior Electorate Officer for a period of 70 days per annum. Within this budget, Members have the flexibility to use this entitlement to employ additional staff.
- 3.4 Each Member of the Legislative Council, who is not a Minister, shall be entitled to one staff member. When the staff member is on annual recreation leave or other extended period of leave, a relief staff member may be employed for the period of absence.
- 3.5 Each Member of the Legislative Council, who is not a Minister, and who is elected as a cross bench Member shall be entitled to two staff members.
- 3.6 Ministers shall receive a reasonable allocation of staff members.
- 3.7 The Whip of each recognised political party of not less than 10 Members to each be provided with one member of staff.
- 3.8 This provision specifies the minimum staffing required in electorate offices. Nothing *in this Determination removes from the employer of staff the obligations arising under the Work Health and Safety Act 2011*”.

Northern Territory

Clause 13 of the *Report and Determination No. 1 of 2015 - Salaries and Other Entitlements of Assembly Members* provides that:

- “ 13.1 Except during a reasonable handover period where there is a changeover of employees, during which time a Member may have two electorate officers or two liaison officers as the case may be, a Member shall be entitled to the services of one full-time staff member as an electorate officer.
- 13.2 Members are entitled to part-time electorate officer assistance for a total of 104 hours per quarter and expiring at the end of each quarter.
- 13.3 Additional part-time liaison officers are provided as follows:
- the Member for Stuart is entitled to an additional part-time liaison officer for up to 30 hours per week located in Katherine;

- the Member for Arafura is entitled to an additional part-time liaison officer for up to 15 hours per week located in Maningrida;
- the Member for Daly is entitled to an additional part-time liaison officer for up to 15 hours per week for the Thamarrurr Region;
- the Member for Barkly is entitled to an additional part-time liaison officer for up to 15 hours per week located in Borroloola;
- the Member for Arnhem is entitled to an additional part-time liaison officer for up to 15 hours per week located in Groote Eylandt; and

such officers to be employed by the Northern Territory Government.

- 13.4 Members with electorate offices located outside Darwin may use their respective staff entitlements, excluding liaison officers, in their electorate office or in Darwin. Electorate office staff entitlements may not be pooled or applied for the benefit of another Member.
- 13.5 Any allocation of personnel for the purpose of relief staffing arrangements shall be as determined from time to time by the Speaker.
- 13.6 The salary and allowances and other terms and conditions of employment of ongoing part-time and casual staff of a Member shall be as determined from time to time by the Speaker following consultation with the Commissioner for Public Employment.
- 13.7 An electorate officer located outside Darwin shall be entitled to travel at Government expense to Darwin to attend an approved training activity once per annum. The stay shall not exceed two days prior to the commencement of the Sittings and two days after the completion of the Sittings.
- 13.8 An electorate officer located outside Alice Springs shall be entitled to travel at Government expense to Alice Springs to attend a period of a Sitting of the Assembly in Alice Springs once per annum. The stay shall not exceed two days prior to the Sittings and two days after the completion of the Sittings. .
- 13.9 Use of an electorate officer's private vehicle shall be by arrangement between the Member and the electorate officer. Reimbursement for use of the vehicle shall be at Northern Territory Public Service rates or by mutual agreement between the Member and the electorate officer and the reimbursement shall be met from the Member's own funds.
- 13.10 Any travel costs within the electorate by the electorate officer or liaison officer shall be met from the Member's own funds."

Queensland

Section 2.4.2.3 of the Legislative Assembly of Queensland Members' Remuneration Handbook provides that:

" Electorate office staffing

Each Member may engage, subject to the approval of the Clerk, one (1) full-time Electorate Officer and one (1) full-time Assistant Electorate Officer to assist the Member in maintaining the operation of an electorate office.

Where a Member representing an electoral district of 100,000 square kilometres has been provided with an additional electorate office, that Member may engage, subject to the approval of the Clerk, an additional Electorate Officer but not an additional Assistant Electorate Officer.

Each position of Electorate Officer and Assistant Electorate Officer may be job-shared between two (2) individuals.

Optional part-time staffing allocation

Members may, subject to the approval of the Clerk and in lieu of being provided with an Assistant Electorate Officer under the standard staffing arrangements, elect to be provided with an annual allocation to fund the engagement of additional staff on a part-time or casual basis.

The value of the allocation is equal to the current salary rate payable to an Assistant Electorate Officer (plus on-costs). Members may implement a variety of staffing options that best meet their individual requirements. The minimum amount payable to staff employed under this section is equivalent to AEO level 1. Members may not engage consultants, nor may they engage their spouse."

South Australia

The following information was provided by the Department of Premier and Cabinet in South Australia.

Staff resources to both Members of the House of Assembly and the Legislative Council, and the provision of electorate offices to Members of the House of Assembly are allocated by the Government. At present the Treasurer is the responsible Minister and any variations to these allocated resources requiring additional funding are submitted to Cabinet for approval.

House of Assembly

All Members of the House of Assembly are provided an office within their electorate, plus an office at Parliament House.

The Members for Finnis, Flinders and Stuart are provided with a second satellite office within the electorate, staffed on a part-time basis. These 3 electorates are provided with a second office due to extenuating geographic issues (Finnis – includes Kangaroo Island off the mainland and Flinders, Stuart – size).

All Members of the House of Assembly are provided with a staff allocation of 2 FTE (1 x Office Manager, 1 x Assistant) and may engage a trainee if they wish.

In addition, the following office holders receive an additional staff allocation of:

Premier - 1 FTE Assistant

Leader of Opposition - 1 FTE Assistant

Speaker - 2 FTE (1 x Office Manager, 1 x Assistant)

Deputy Speaker - 0.4 FTE Assistant

Govt Whip - 2 FTE (1 x Office Manager, 1 x Assistant)

Opp Whip - 2 FTE (1 x Office Manager, 1 x Assistant)

Independent Members receive an additional 0.5 FTE Research Officer

Legislative Council

All Members of the Legislative Council are provided an office at Parliament House.

All Members of the Legislative Council (except Cabinet Ministers) are provided with a staff allocation of 1 FTE Office Manager and may engage a trainee if they wish. Cabinet Ministers are not provided any staff allocation, outside their Ministerial Office.

In addition, the following office holders receive an additional staff allocation of:

President - 0.6 FTE Assistant

Leader of Opposition - 1 FTE Research Officer

Govt Whip - 1 FTE Assistant

Opp Whip - 1 FTE Assistant

Independent Members and small party (eg. Greens, Family First) Members receive an additional 1 FTE Research Officer.

Tasmania

By administrative policy of the Government, each member of Parliament is entitled to one FTE Electorate Officer and one electorate office.

Victoria

The Parliament of Victoria advised that each member of the Victorian Parliament is entitled to 2 FTE Electorate Officers.

Western Australia

The following information was provided by the Department of Premier and Cabinet in Western Australia.

Each Member of Parliament is entitled to have at Government expense, an office in his/her electorate or in close proximity to Parliament House for the purpose of conducting their parliamentary and electorate duties. The Department of the Premier and Cabinet has responsibility for arranging the establishment and maintenance of such offices.

Parliamentary electorate offices are provided on the basis that:

- they are not to be used for purposes other than those related to the parliamentary or electoral duties of the Member;
- they are not to be used as an election campaign base or headquarters for activities associated with political parties such as branch meetings. Similarly, electorate office equipment and telephones must not be used for election campaigning;

- no party political literature or signs may be displayed in or adjacent to the premises; and
- offices may not be located in a Member's private residence or in premises owned by a member of his/her immediate family.

Each Member is entitled to 2 FTE employees to assist in managing the Parliamentary Electorate Office.

Members of the Legislative Assembly who represent large regional areas i.e. Members for Kimberley, Pilbara, Eyre, North West Central, Moore, Central Wheatbelt, Wagin and Kalgoorlie may be entitled to a second electorate office. The second office must be located within the electorate and the area of the office is smaller than the primary office. If a designated Member has two electorate offices the Member is only entitled to the current allocation of 2 FTEs, one for each office.