

***Inquiry into  
Parliamentary  
Salaries and  
Allowances***

*On behalf of*

***CPSU (SPSFT) Inc.***

***October 2015***

***Tom Lynch  
General Secretary***

## EXECUTIVE SUMMARY

All Tasmanians deserve decent wages that reflect the value of the work they do, but politicians' wages and conditions have been politicised for too long. It's time for a fair, transparent system that takes decisions about their wages and conditions out of their own hands permanently.

The Tasmanian Industrial Commission (TIC) is the obvious choice to determine these wages and conditions because of its independence and relevant skills, knowledge and experience. The CPSU believes a basic salary for Tasmanian politicians should consider the value of work performed and rates paid for similar work in other jurisdictions. The TIC would determine annual increases by revisiting the comparators and considering local circumstances and other issues raised in submissions, and that determination should then be implemented and not be subject to a veto by parliament.

## DETAILED SUBMISSION

### Section 4 – Role of an MP

The CPSU submits there are no significant changes in the role, function, duties or responsibilities of an MP that should have any effect on determinations made in the 2014 Report.

The 2014 Report concurred with the observation made by way of submission that *'the role of a Member of the Tasmanian Parliament is broadly similar to that of members of other Australian Parliaments'*. The CPSU considers that using salaries paid to other Australian politicians as comparators is an effective way to set a base wage, although an automatic link isn't appropriate as salaries in other states can change to include allowances etc which is why the TIC is needed to review the comparator and ensure it compares apples with apples.

### Section 5 - The Basic Salary

- 1. Was the recommended salary of \$128 000 pa from January 2015 appropriate in light of the considerations taken into account? [Note that next adjustment will not be before July 2016]**

Yes. In broad terms the 2014 Report did a work value assessment using interstate comparators and determined a basic salary that seems fair.

If the proposal in that report to apply the Wage Price Index to determine an appropriate increase from 1 July 2015 was used, the current basic salary from 1 July 2015 would be \$131,046. (WPI March 2014 – March 2015 was 2.38%).

The table below shows salaries for politicians in each state and territory, excluding the commonwealth. If \$131,046 was deemed an appropriate basic salary for Tasmanian politicians it 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.

**Table 1 – Basic Salaries for Politicians across Australian States and Territories as at 1 July 2015.**

State/Territory	Basic Salary as at 1 July 2015
Australian Capital Territory	\$ 136,758
New South Wales	\$ 153,280
Northern Territory	\$ 147,416
Queensland	\$ 148,848
South Australia	\$ 153,130
Victoria	\$ 145,277
Western Australia	\$ 154,233
Average	\$ 148,420
Tasmania	\$ 131,046
Tasmania comparator	88% of average

2. **If the answer to 1 above is yes, is there reason to depart from a similar conclusion on this occasion? For example, it might be that a salary level of this order [allowing for timing questions] be considered appropriate in work value terms, but beyond the financial capacity of the State to accommodate. If so, is there a case for a ‘catch up’ to be phased in over an extended period.**

There’s no obvious reason to depart from the recommendation in the 2014 Report. Consideration could be given to phasing in the increase over time as it’s not unusual for work value adjustments that result in significant increases to be phased in.

3. **Was the 2014 recommendation wrong? If so, what alternative approach is preferred?**

The CPSU supports the 2014 Report recommendation.

### **Section 6 - Mechanism for the Future Adjustment of Salary**

**The Commission seeks submissions about appropriate adjustment mechanisms to include in a multi-year determination, should one be made.**

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

The CPSU submits that the TIC should make a determination each year of the increase to apply to politicians’ salaries based on a comparator of 88% of the average paid in other Australian states and territories.

The Commission should collate data on basic salary increases in the other seven jurisdictions while ensuring increases don’t include compensation for anything other than work value. It should then develop a brief discussion paper setting out comparators used and the proposed increase and then seek submissions.

After considering submissions the Commission would make a determination for the increase to apply that year. If a recommendation was made by the end of April the increases could be factored into the budget process and apply from 1 July that year.

Politicians must not be able to interfere in this process. Past practice where government seeks a TIC determination then makes a political decision on which parts of the recommendation it accepts removes independence from the process and opens it up to political influences.

### **Section 7 - Additional Salary for Certain Office Holders**

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

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

The CPSU submits that the existing additional salary amounts paid to Office holders are appropriate and should be retained.

The current list includes a 20% loading for the chair of committees but that a loading is not paid to committee chairs. Instead, a committee chair receives a daily sitting fee of \$145. Consideration could be given to committee chairs receiving an additional salary loading to replace the daily sitting fee and that it could be calculated based on \$145 for the average number of days a committee chair would sit.

### **Section 8 - Motor Vehicle Allowance**

**The Commission invites submissions as to the adequacy or otherwise of this benefit and whether the recommendation of the 2013 Tribunal should be confirmed, or the new SES allowance be adopted or some other approach be taken.**

The CPSU supports the 2013 Tribunal recommendation that politicians 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.

### **Section 9 - Electorate Allowance**

**The Commission seeks submissions about whether there is reason to depart from recommendation of the 2013 Tribunal.**

The CPSU submits 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.

### **Section 10 - Committee Sitting Fees**

**The Commission seeks submissions about whether there is reason to depart from recommendation of the 2013 Tribunal**

The CPSU submits that paying politicians a daily sitting fee to do the job they're being paid to do is double dipping. The CPSU supports the 2013 Tribunal recommendation that sitting fees for members of committees are abolished, and feels the sitting fee for chairs of committees should be replaced by an additional salary loading (see Section 7 above).

### **Section 11 - Telecommunications Allowance**

**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 seeks submissions from MPs and interested parties about the form any future telecommunications based allowance should take.**

Tasmanian politicians, 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 benefits that once existed by proportioning some phone and internet data as a personal cost often now incur greater administrative costs than savings.

Politicians 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.

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

### **Section 12 - Entertainment Allowance**

**The Commission invites submissions as to whether there are any reasons to depart from the recommendation of the 2013 Tribunal.**

The CPSU supports the 2013 Tribunal recommendation of no change to the entertainment allowances for these three Office holders but it should be clear they cannot be used for party political purposes.

### **Section 13 - Away from Home Travelling Allowance**

**The Commission invites submissions as to the adequacy or otherwise of this entitlement and whether there is reason to depart from the recommendation of the 2013 Tribunal.**

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.

**Section 14 - Bass Strait Islands Traveling Allowance**

**The Commission invites submissions as to whether there are any reasons to depart from the recommendation of the 2013 Tribunal.**

The CPSU supports the recommendation of the 2013 Tribunal that current arrangements are appropriate and should be retained.

**Section 15 - Taxi Allowance**

**The Commission invites submissions as to whether there are any reasons to depart from the recommendation of the 2013 Tribunal.**

In 2014 the Hodgman Government made major cuts to the Ministerial Vehicle Fleet so only certain Ministers were allocated cars and drivers and the rest shared resources. When a ministerial car is unavailable fleet services arrange an alternate form of transport including limousines and taxis and the CPSU understands these costs are met by DPAC fleet services. It's important these costs are met by DPAC and recorded against the ministerial fleet budget or there's no way of knowing if the reduction in the ministerial fleet actually saves money or if it's cheaper to hire limousines and taxis.

The CPSU submits that as all Ministers received transport services through DPAC and all other members are provided with a vehicle, or an allowance in lieu of a vehicle, then the taxi allowance should be abolished.

**Section 16 - Resettlement Allowance**

**The Commission invites submissions as to whether the recommendation of the 2013 Tribunal or some other construction of a resettlement allowance should be adopted.**

The CPSU supports the 2013 Tribunal recommendations on a resettlement allowance.