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Mr Tim Abey
President
Tasmanian Industrial Commission
tic@justice.tas.gov.au

Dear Mr Abey,

RE: Inquiry into Parliamentary Salaries and Entitlements

Thank you for your letter dated 25th of September 2015 inviting the Tasmanian Greens to make a submission to this inquiry.

As you will be aware from a previous submission in 2013, the Tasmanian Greens MPs have consistently held the position that Parliamentarians should not have any direct involvement in setting their pay or remuneration.

However, we recognise that a salary figure and a range of reasonable allowances needs to be set. The rationale for that determination needs to be transparent, and in keeping with community expectations.

Elected representatives are in the service of the public, and are funded by the taxpayer. Work carried out by Members of Parliament is indeed 'public service'. In this regard there is a coherent logic to refer to the State public sector in determining an appropriate basic salary rate for MPs.

In 2012, the then Greens MPs supported the *Parliamentary Salaries, Superannuation and Allowance Bill 2012*. The Bill set the basic salary for MPs based on a percentage of a specific identified state service employment band. The Tasmanian Greens supported the Bill on the basis it was consistent with the logic that Members of Parliament perform public service and that linking MPs' salary to the salary of the State Service was appropriate.

The specific mechanism set by the 2012 legislation was that MPs salary would be 95.734 per cent of level 1 of range 1 of band 9 of the general stream of the Tasmanian State Service award.

The Tasmanian Greens understand that this particular band within the Tasmanian State Service has effectively been discontinued. Nevertheless, the principle underpinning the mechanism remains sound.

As has previously been noted by the Tasmanian Industrial Commission, since 1973 there have been at least eight different methodologies adopted to calculate an MPs basic salary in Tasmania. Each of these methodologies has subsequently been discarded.

The Tasmanian Greens note and agree with the Commission's comment that "Against this background it would not be surprising if the general public were confused, or even cynical as to MPs remuneration. This pattern of volatility and uncertainty must end".

The Tasmanian Greens retain the position that the mechanism contained within the 2012 Bill best meets the need for Parliamentarians to have no direct involvement in setting their own pay.


We additionally hold the position that development of a new mechanism in 2016 would continue the pattern of volatility, not bring it to an end.

Taking account of this context, our submissions to the current inquiry are as follows:

1. That the State MPs' basic salary level for 2016/17 should be calculated by the Tasmanian Industrial Commission using a mechanism that is as similar to the mechanism contained within the *Parliamentary Salaries, Superannuation and Allowance Bill 2012* as possible
2. That, should the Tasmanian Industrial Commission recommend a salary increase for MPs for 2016/17 compared to 2015/16, that any such increase be limited to same percentage increase received by the remainder of the State Service and reflect States Wages Policy
3. That State MPs' future basic salary be formally linked to the Award from which the basic salary is determined and moves in line with any adjustments to that Award
4. That the nexus arrangement is periodically reviewed by the Tasmanian Industrial Commission to assess whether the intent of the original nexus determination is still being delivered, and is still consistent with any current policy settings

Thank you for the opportunity to make a submission to the Commission's inquiry. On behalf of the Tasmanian Greens I wish the Full Bench all the best with the remainder of the inquiry.

Warm regards,



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