



TASMANIA

Inquiry into Parliamentary Salaries and Allowances
by
The Full Bench of the Tasmanian Industrial Commission

ISSUES PAPER

Members

David Barclay (President)
Neroli Ellis (Deputy President)
Tim Lee (Commissioner)

November 2020

Inquiry into Parliamentary Salaries and Allowances by the Full Bench of the Tasmanian Industrial Commission

Issues Paper

Contents

1	Introduction.....	2
2	Matters to be Determined.....	3
3	Previous Reports.....	4
4	Role of an MP.....	5
5	The Basic Salary.....	5
6	Mechanism for the Future Adjustment of Salary.....	8
7	Additional Salary for Certain Office Holders.....	8
8	Motor Vehicle Allowance.....	11
9	Electorate Allowance.....	12
10	Legislative Council Electoral Boundaries Redistribution.....	14
11	Committee Sitting Fees.....	18
12	Telecommunications Allowance.....	19
13	Entertainment Allowance.....	20
14	Away from Home Travelling Allowance.....	21
15	Bass Strait Islands Travelling Allowance.....	22
16	Resettlement Allowance.....	22
17	Submissions and Public Hearings.....	24
	Written Submissions.....	24
	Submissions to be Public Unless Otherwise Indicated.....	24
	Final Report.....	24
	Secretariat.....	24
	Appendix 1.....	25
	Changes to Basic Salary 1996 to 2018.....	25
	Appendix 2.....	26
	Role of the MP.....	26

Inquiry into Parliamentary Salaries and Allowances by the Full Bench of the Tasmanian Industrial Commission – March 2019

Issues Paper

1 Introduction

The Tasmanian Industrial Commission (the Commission) is tasked, from time to time, with inquiring into the amount of salary to be paid to parliamentarians, the amount of additional salary for holders of particular positions in parliament (for example the Premier, the Leader of the Opposition and Ministers) and the kinds and amount of allowances and benefits to be paid to each member of parliament.

The inquiry is conducted under the *Parliamentary Salaries, Superannuation and Allowances Act 2012* (PSSAA). The Commission is currently undertaking an inquiry into these matters. This present inquiry will be the third inquiry, but the second substantive inquiry.

The first inquiry by the Commission resulted in the *Report into Parliamentary Salaries and Allowances including a Determination* dated February 2016 (the 2016 Report). That report is available at www.tic.tas.gov.au.

The 2016 Report provided for a further inquiry to be conducted by 1 March 2018. As it happened the Commission determined that the 2018 inquiry would be limited to an interim report with a view to conducting a more detailed review in the future (this present inquiry).

The Interim Report was published in May 2018 and is also available at www.tic.tas.gov.au. The Interim Report determined, pending a detailed review of salaries and allowances, that on an interim basis salaries and allowances would be increased based on the annual increase in Wage Price Index (salaries) and Consumer Price Index (allowances) for the financial year 2017 – 2018. The increase was to commence from 1 July 2018 and continue until 30 June 2019. The increases were to be based on the indices for Hobart.

Any determination of the Commission is implemented automatically unless within 10 sitting days of the determination being tabled (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).

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 who will inquire into the salaries and allowances are Mr David Barclay (President of the Commission), Ms Neroli Ellis (Deputy President of the Commission) and Mr Tim Lee (Commissioner).

2 Matters to be Determined

The PSSAA, as amended by the 2015 Act¹, provides for the Commission to:

- a) Review and determine the amount of basic salary payable to a MP;
- b) Review and determine the amount 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 of PSSAA;
- c) Consider if there are any other offices of the Parliament not currently provided for in Part 2 of Schedule 1 of the PSSAA that the Commission may decide required to be paid additional salary and determine the amounts of any additional salary payable for such offices;
- d) Review the entitlements of and benefits to MPs provided for in Schedule 2 of the PSSAA (ie Motor Vehicle 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 if the amounts of those allowances and benefits are still considered appropriate;
- e) Consider whether there are any new entitlements, allowances or benefits considered appropriate to the current needs of MPs and determine the amount of such entitlements, allowances and benefits.

In addition, the Commission will consider recommendations listed in the 2016 and 2018 Reports, namely;

- a) The quantum of additional salary in relation to the offices of President of the Legislative Council and Speaker of the House of Assembly be considered in particular (page 29 of the 2016 Determination);
- b) The objective, legitimate uses and administration of the Electorate Allowance be considered as related matters (in the sense of section 3C of the 2012 Act) (page 34 of 2016 Determination);
- c) The proposed reassignment of groups of the Electorate name changes and boundary adjustments (2018 Determination);
- d) Review and consider the role of the MP, focusing on whether any changes to the role impact on the salaries and allowances that should be paid to MPs.

¹ *Parliamentary Salaries, Superannuation and Allowances Act 2012.*

3 Previous Reports

As referred to in the Introduction the 2016 Report and 2018 Interim Report are available at www.tic.tas.gov.au.

Basic Salary in 2016 Report

The basic salary was determined to be \$133 560 pa from 1 July 2016 to 30 June 2017.

The 2018 Report did not determine an additional basic salary, but stated that the salaries be increased based on the annual increase in Wage Price Index (WPI) for the financial year 2017-18. The increase commenced from 1 July 2018 and continues until 30 June 2019. The increase was based on the indices for Hobart. Therefore, from 1 July 2017 to 30 June 2018, the amount of the basic salary to be paid to each Member of Parliament was determined at \$136 765 pa.

Motor Vehicle Allowance

The Motor Vehicle Allowance was determined to be \$15,613 pa. The existing arrangements concerning the provision of a fully maintained motor vehicle, or the payment of an allowance, was to continue, but with the allowance to be adjusted in line with the movements in the Consumer Price Index (CPI), rather than the basic salary.

Telecommunication Allowances

- i. The previous existing arrangements in relation to the provision of equipment and reimbursement of 80 per cent of mobile telephone charges changed to 90 per cent; and
- ii. 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, was to be paid by way of reimbursement of 100 per cent of all charges for a mobile phone.

Committee Sitting Fees

Sitting fees for Committee Chairs continued but included 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 continued.

Bass Strait Travelling Allowance

This allowance remained unchanged.

Entertainment Allowance

This allowance remained unchanged.

Electorate Allowance

Existing allowances were to be adjusted in line with the CPI.

4 Role of an MP

The 2016 Report considered the role of an MP. Appendix 2 to this paper reproduces relevant sections.

Consideration

4.1 The Commission is interested in any submissions about this issue with a particular focus on whether any changes to the role impact on the salaries and allowances that should be paid to MPs.

5 The Basic Salary

The basic salary is provided for in the 2017 Determination. This has been adjusted by WPI. As of 1 July 2018, the basic salary is \$140,185.

The following statistical analysis compares the salary paid to a Tasmanian MP with other State, Territory and Commonwealth Parliaments, relevant wage and price indexes, and representative State Service positions.

It is to be noted that any salary increase granted will not operate prior to 1 July 2019. Accordingly, where known and relevant, salary comparison data up to that date are included.

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 determination	Current basic salary \$pa
Commonwealth	The <i>Remuneration and Other Legislation Amendment Act 2011 (Cwlth)</i> requires the Remuneration Tribunal determine base salary for members of Parliament. In December 2018 the Tribunal issued a 2018 Determination which set the base salary for MHRs and Senators at \$207 100.	207 100
Australian Capital Territory	Determined by the ACT Remuneration Tribunal <i>under Remuneration Tribunal Act 1995 (ACT)</i> . The current Determination is number 2 of 2018. This issued the base salary for Members of the Legislative Assembly at \$164 382.	164 382
New South Wales	<i>Parliamentary Remuneration Act 1989 (NSW)</i> 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 2018 Annual Report and Determination, 16 May 2018.	165 066
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 2009 (NT)</i> . Current determination - No 1 of 2018 dated 18 December 2018.	162 696

Jurisdiction	Basis of determination	Current basic salary \$pa
Queensland	<p>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 (QIRT Act)</i> to determine the basic salary.</p> <p>As at 1 September 2017, the annual base salary is \$159 122 (Determination 12/2016)</p>	159 122
South Australia	<p><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 <i>Parliamentary Remuneration (Basic Salary) Amendment Act 2012</i> (SA), provides that the SA MPs basic salary will be \$42 000 less than the federal base salary plus a common allowance determined each year by the SA Remuneration Tribunal.</p> <p>On 28 November 2018 the Tribunal determined the common allowance effective from 1 October 2018 to be \$30 839 (comprising \$17 432 to compensate for loss of travel allowance and \$13 407 for service on parliamentary committees).</p>	178 507 ² (165 100)
Tasmania	<p>The <i>Parliamentary Salaries, Superannuation and Allowances Act 2012 (Tas)</i> as amended in 2015 sets the basic salary from 1 July 2015 at \$120 835 pa.</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 subject to disallowance if both Houses of Parliament so decide.</p> <p>The 2017 Interim Report determined that the basic salary would be increased based on the annual increase in Wage Price Index.</p>	140 185
Victoria	<p>The <i>Parliamentary and Public Administration Legislation Amendment Act 2013 (Vic)</i>, sets a MP's base salary. From 1 July 2015 salary is to be adjusted by the relevant index published by the ABS on Victorian adult average weekly ordinary time earnings. The current base salary for the financial year of 2018/19 is \$158 560.</p>	158 560
Western Australia	<p>As determined by WA Salaries and Allowances Tribunal (established by the <i>Salaries and Allowances Act 1975 (WA)</i>).</p> <p>On 20 November 2017 the Tribunal determined the base remuneration, effective from 1 December 2017, to be \$156 536.</p>	156 536

² The actual SA basic salary is \$195 939 pa. However, this includes \$17 432 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 the comparison. The portion of the common allowance that remunerates committee work has been included, as one of the Commission's recommendations in the 2016 Issues Paper was that committee work be considered as part of the role of an MP for which they are paid the basic salary. If the common allowance was excluded, the basic salary in SA would be \$165 100.

The following table shows the number of Members in each House of Parliament across Australia.

Table 2 - Members in each house, per State/Territory

	NSW	VIC	WA	SA	TAS	QLD	NT	ACT
Legislative Council	42	40	37	22	15			
Legislative Assembly/House of Assembly	93	88	59	45	25	93	25	25

It can be seen from Table 2 that Tasmania has the lowest amounts of MPs in a bicameral parliament across Australia. Also, given the smaller population size of Tasmania, Table 3 demonstrates that Tasmanian MPs represent a smaller amount of people per electorate.

Table 3 – Population amount per Member in each State/Territory³

	NSW	VIC	WA	SA	TAS	QLD	NT	ACT
Legislative Council	190,167	161,475	70,135	78,909	35,200	-	-	-
Legislative Assembly/House of Assembly	85,882	73,398	43,983	38,578	21,120	-	-	-
Houses combined	59,162	50,461	27,031	25,910	13,200	53,892	9,880	16,800

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

Table 4 - Average Weekly Ordinary Time Earnings F-T Adults [trend] Australia and Tasmania 2015 - 2018⁴

Date	Australia	Tasmania	% differential
May 2015	\$1484.50	\$1289.30	15.1%
May 2016	\$1516.00	\$1336.90	13.6%
May 2017	\$1545.70	\$1353.90	13.2%
May 2018	\$1568.20	\$1377.30	13.0%

³ Source ABS3101.0 – Australian Demographic Statistics, June 2018.

⁴ Source ABS Catalogue 6302.0

Table 5 analyses changes in the basic salary with the CPI and relevant wage indices applicable to the Tasmanian workforce generally.

Table 5 - Comparison between Basic Salary, Consumer Price Index [CPI], Average Weekly Ordinary Time Earnings [AWOTE], and Wage Price Index [WPI].

Date	Basic salary \$pa	CPI All groups Hobart ⁵	AWOTE Full Time Adults (Tasmania) \$pw ⁶	WPI Tasmania ⁷
1 July 2015	120 835	105.1	1289.3	120.9
1 July 2016	133 560	106.4	1336.9	122.7
1 July 2017	136 765	108.9	1353.9	125.4
1 July 2018	140 185	111.5	1377.3	128.3
% change from July 2015 - 2016	10.0%	1.2%	4.6%	2.3%
% change from July 2016 - 2017	2.4%	2.3%	1.3%	2.2%
% change from July 2017 - 2018	2.5%	2.4%	2.7%	2.5%

6 Mechanism for the Future Adjustment of Salary

Current provision

That on an interim basis, salaries will be increased based on the annual increase in WPI. This increase commenced on 1 July 2018 and continues until 30 June 2019.

Consideration

6.1 The Commission seeks submissions about whether there should be an annual salary adjustment, and if so, whether this should be based on the annual increase in WPI or some other method.

7 Additional Salary for Certain Office Holders

Current provisions

The PSSAA⁸ 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.

⁵ Source ABS Catalogue 6401.0

⁶ Source ABS Catalogue 6302.0

⁷ Source ABS Catalogue 6345.0

⁸ See Part 2 of Schedule 1 of the PSSAA

The current entitlements to Additional Salary in Tasmania are shown in the table below.

Table 6 - Additional Salary for MPs who are office holders

Office	Additional Salary (percentage of basic salary)	Additional Salary (dollar amount)
<i>Government</i>		
Premier	115	161 212
Deputy Premier	82	114 951
Minister	70	98 129
Secretary to Cabinet	30	42 055
<i>Legislative Council</i>		
President	35	49 065
Leader for the Government	70	98 129
Chair of Committees	20	28 037
Deputy Leader for the Government	35	49 065
<i>House of Assembly</i>		
Speaker	35	49 065
Chair of Committees	20	28 037
Leader of the Opposition	70	98 129
Deputy Leader of the Opposition	35	49 065
Government Whip	6	8 411
Opposition Whip	6	8 411
Leader of a recognised non- government party, other than the Opposition	35	49 065

The following table (Table 7) provides a comparison of the additional salaries paid to various office holders in the different Australian jurisdictions.

Table 7 - Comparison by parliamentary jurisdiction of additional salary entitlements (expressed as a percentage of basic salary) for selected offices

Office	Cmwlth ⁹	ACT ¹⁰	NSW ¹¹		NT ¹²	Qld ¹³	SA ¹⁴		Tas ¹⁵		Victoria ¹⁶		WA ¹⁷
	additional salary ¹⁸	additional salary	additional salary	expenses of office	additional salary	additional salary	additional salary	expenses of office	additional salary	expenses of office ¹⁹	additional salary	expenses of office	additional salary
First Minister ²⁰	160	110	95	55	100	154.7	100	5.4	115	12	100	42	127.2
Deputy 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

⁹ 2018 Report on Ministerial Salaries – Salary Additional to the Parliamentary Base Salary – Report 1 of 2018 and Determination 1/2018

¹⁰ ACT Remuneration Tribunal Determination 1 of 2016

¹¹ *Parliamentary Remuneration Act 1989 (NSW)* - Schedule 1

¹² Northern Territory of Australia Remuneration Tribunal Report and Determination no 1 of 2018 - Schedule 1

¹³ Queensland Independent Remuneration Tribunal Determination 12/2016

¹⁴ Schedule of *Parliamentary Remuneration Act 1990 (SA)*

¹⁵ *Parliamentary Salaries, Superannuation and Allowances Act 2012 (Tas)* – Schedules 4 and 6

¹⁶ *Parliamentary Salaries and Superannuation Act 1968 (Vic)* – Section 6 Table

¹⁷ Salaries and Allowances Tribunal (WA) remuneration of Members of Parliament - Determination 30 December 2017 section 2.3

¹⁸ All additional salary and expenses of office expressed as a percentage of basic salary in that jurisdiction

¹⁹ Entertainment Allowance

²⁰ Prime Minister, Premier or Chief Minister as appropriate

Table 7 shows that some jurisdictions provide for a specific expense 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.

The 2016 Report

One aspect of the 2016 Inquiry was to consider if there are other offices of the Parliament that are currently not remunerated with additional salary. Many of the other jurisdictions pay additional salary for other offices not remunerated in Tasmania, for example Parliamentary Secretary or Shadow Minister. These 'offices' though are administrative constructions in Tasmania and not currently recognised in the Constitution or the PSSAA – unlike the office of Secretary to Cabinet for instance.

The references cited for Table 7 provide sources of information about the type of offices that are paid additional salary in other jurisdictions, and the amount of that additional salary.

Table 7 also shows that the level of additional salary for most of the offices is broadly consistent with similar loadings paid in the other Australia 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 other jurisdictions is more closely aligned with that of Ministers. The 2016 Report flagged that there appeared to be a prima facie case for a consideration of the additional salary paid to these two offices for the current Inquiry.

Considerations

The Commission invites submissions as to:

- 7.1 Whether the existing additional salary amounts in Tasmania are appropriate;**
- 7.2 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; and**
- 7.3 The quantum of additional salary paid in relation to the offices of President of the Legislative Council and Speaker of the House of Assembly.**

8 Motor Vehicle Allowance

Existing provision

Each MP is entitled to be paid a Motor Vehicle Allowance of \$16,196 pa for the 2018-19 year²¹. However, Members may elect, in lieu of the Allowance, to be provided with a fully maintained, private plated vehicle for parliamentary, electorate and private use, but not for commercial purposes. The standard of vehicle is that which is generally available to State Servants at SES Level 1. Members are responsible for the running costs of the vehicle when used outside Tasmania.

²¹ As per 2017 Determination, adjusted for CPI increase.

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 vehicle²². The current quantum of this allowance in lieu of a motor vehicle is \$15 700 pa for SES Officers at 1 and 2 and \$16 900 pa for officers at SES level 3 and above and Heads of Agencies²³.

It should also be noted that SES Officers have the option to upgrade to a fully maintained private plated 4WD motor vehicles as per SES 1 (Category B) Vehicle List.

Consideration

8.1 The Commission invites submissions as to the adequacy or otherwise of this allowance.

9 Electorate Allowance

Existing provision

The 2017 Interim Report detailed the current Electorate Allowance available for MPs. These figures are shown in the following table.

Table 8 – Electorate Allowances for Tasmanian MPs

		1-Jul-16	1-Jul-17	1-Jul-18
Electorate Allowance (based on Electorates as at 1 July 2017)				
Legislative Council				
Group 1	Apsley (McIntyre)	\$49,447	\$50,090	\$51 292
Group 2	Murchison, Western Tiers (Prosser)	\$45,541	\$46,133	\$47 240
Group 3	Derwent, Huon	\$39,035	\$39,542	\$40 491
Group 4	Montgomery, Rumney	\$36,434	\$36,908	\$37 793
Group 5	Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart	\$31,229	\$31,635	\$32 394
House of Assembly	Bass	\$42,940	\$43,498	\$44 542
	Braddon	\$46,843	\$47,452	\$48 591
	Denison (Clark)	\$31,229	\$31,635	\$32 394
	Franklin	\$37,735	\$38,226	\$39 143
	Lyons	\$52,050	\$52,727	\$53 992

This entitlement and the basis from which the current amounts are derived was subject to an in-depth review by the Committee of Review established in 2006.

²² Employment Direction 17.

²³ Employment Direction 17, Attachment 1 C Schedule – Allowances in Lieu of a Motor Vehicle.

The amounts of the Allowance were significantly increased at that time and a number of other allowances were eliminated. The Commission notes that the Electorate Allowance is paid fortnightly with the basic salary.

Generally speaking, the purpose of Electorate Allowances is to cover expenses incurred by MPs in servicing the electorate, other than those expenses specifically covered by other allowances. The 2006 Report of the Committee of Review²⁴ identified the following expense items that might appropriately fall within the purview of the Electorate Allowance. This is not necessarily an exhaustive list.

- Accommodation expenses when travelling within the electorate;
- Postage, including newsletters;
- Pamphlet drops;
- Professional development in all its forms;
- Communication with the electorate, surveys, focus groups etc;
- Upgrading to a non-standard vehicle. e.g. 4WD;
- Commissioning research projects;
- Entertainment;
- Attendance at community, business, education and sporting functions;
- Subscriptions and donations to charitable, sporting and social organisations within the electorate;
- Advertisements of the Member's parliamentary activities within the electorate;
- Home office expenses;
- Internet access fees; and
- 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 Allowance does not cover electorate office facilities and associated running costs. This is funded from the Ministerial and Parliamentary Support annual budget and the Legislature-General budget.

The 2016 Report

It has been confirmed by previous Tribunals that the Electorate 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.

²⁴ Committee of Review, *Report of the Second Committee of Review Inquiring into Allowances and Benefits Provided to Members of the Tasmanian Parliament* (2006), page 20.

However, the majority of submissions brought before the 2016 Tribunal indicate a need to refine the criteria for Electorate Allowances and to bring them in line with community expectation, with transparency as the aim. The Tribunal agreed there was merit to these suggestions, however due to a lack of submissions from a range of those people affected, they were unable to make a determination on this matter. It was proposed that a detailed review be conducted in this Inquiry.

Purpose and Legitimate Use of Electoral Allowance

While it is difficult to compare the varying Electorate Allowances across Parliaments, a common thread can be established when talking about the purpose of the Allowance. The Allowance must be used for expenses which an MP might incur while serving their electorate and may also be used for incidental costs relating to the operation of a Member's electorate office.

It should be noted that 'Entertainment' was generally not included as a legitimate use of the Allowance as MPs were encouraged to treat the Allowance as taxable income and not to regard this as salary.

Considerations

- 9.1 As proposed by the 2016 Report, a detailed review of the allowance will be undertaken in the upcoming 2019 Inquiry. The Commission seeks submissions about the objective, legitimate uses and administration of the Electorate Allowance as related matters (in the sense of section 3C(2) of the 2012 Act).**
- 9.2 Additionally, the Commission invites submissions as to the way in which the Electorate Allowance is currently being used, and whether some of the expenses met out of the allowance can be met from other existing allowances or benefits and whether this should occur?**
- 9.3 The Commission also seeks submissions as to whether, having regard to the legitimate purposes and use of the Electoral Allowance, that allowance should be adjusted so as to identify the specific purposes for which the allowance is to be used, and to establish other specific allowances or benefits for other purposes which currently (but ought not) fall within the electoral allowance; for example whether there should be a specific allowance for home offices and the electoral allowance adjusted accordingly.**

10 Legislative Council Electoral Boundaries Redistribution

Electoral Boundary Redistribution in Tasmania

In Tasmania, the Legislative Council divisions are determined by the Redistribution Tribunal under the *Legislative Council Electoral Boundaries Act 1995*. The Tasmanian Electoral Commission states that a new redistribution is undertaken every 9 years 'to ensure that all divisions contain the same number of electors, give or take 10%'²⁵. As a result, a redistribution of the Legislative Council divisions was conducted in 2016, resulting in Electorate name changes and boundary adjustments. These changes have been in effect since August 2017. As a result, the electorate of Apsley is now McIntyre and Western Tiers is now Prosser.

²⁵ https://www.tec.tas.gov.au/Legislative_Council_Elections/Redistribution/Index.html.

The division changes were determined by a number of factors including:

- Population of electors;
- Communities of interest;
- Means of communication and travel within the division;
- Physical features and areas;
- Existing boundaries; and
- Distinct natural boundaries.

The following tables demonstrate the electorate enrolment figures and area size of all electorates in Tasmania.

Table 9 – Enrolment Figures in each Legislative Council Electorate

Electorate²⁶	Enrolment figures²⁷
Apsley ²⁸	23,702
Derwent	24,824
Elwick	23,889
Hobart	24,665
Huon	24,199
Launceston	24,270
McIntyre	27,264
Mersey	26,809
Montgomery	27,360
Murchinson	24,145
Nelson	24,123
Pembroke	26,079
Prosser	23,527
Rosevears	26,208
Rumney	27,891
Western Tiers ²⁹	24,914
Windmere	25,865

²⁶ Note: Legislative Council elections are held periodically. Current electoral data for divisions Hobart, Prosser, Pembroke, Launceston, Murchinson and Rumney are based on figures of 2017 - 2018 elections. See https://www.tec.tas.gov.au/Legislative_Council_Elections/Previous_Elections/Index.html. Other named electorate figures may change in upcoming elections during 2019 – 2022.

²⁷ 2016-17 Redistribution of Legislative Council Electoral Boundaries 'Initial Transition Proposal', Legislative Council Electoral Boundaries Redistribution Committee, 8 July 2017, pg 2.

²⁸ 2016-17 Redistribution of Legislative Council Electoral Boundaries 'Initial Redistribution Proposal – Reasons', Legislative Council Electoral Boundaries Redistribution Committee, 28 January 2017, appendix 1.

²⁹ 2016-17 Redistribution of Legislative Council Electoral Boundaries 'Initial Redistribution Proposal – Reasons', Legislative Council Electoral Boundaries Redistribution Committee, 28 January 2017, appendix 1.

Table 10 – Enrolment Figures in each House of Assembly electoral division

Electorate	Enrolment figures as at 31 March 2018³⁰
Bass	75,583
Braddon	78,542
Clark (previously Dennison)	74,465
Franklin	75,507
Lyons	77,963

Table 11 – Legislative Council Electorate Boundary Areas

Electorate	Area Square Kms³¹	
	1-Jul-16	1-Jul-17
Apsley/McIntyre	19,204.33	15,338.91
Derwent		12,183.98
Elwick		98.37
Hobart		62.29
Huon		6,213.80
Launceston		146.32
Mersey		732.43
Montgomery		2,456.53
Murchinson		19,3911.43
Nelson		74.51
Pembroke		31.56
Rosevears		801.52
Rumney		433.93
Western Tiers/Prosser	9,849.10	8,592.80
Windmere		2,047.45

³⁰ https://www.aec.gov.au/enrolling_to_vote/enrolment_stats/gazetted/2018/03.htm.

³¹ 2016-17 Redistribution of Legislative Council Electoral Boundaries 'Initial Transition Proposal', Legislative Council Electoral Boundaries Redistribution Committee, 8 July 2017, pg 2.

Table 12 – House of Assembly Electorate Boundary Areas

Electorate	Area Square Kms³²
Bass	7,975.96
Braddon	21,369.24
Clark (previously Dennison)	292.26
Franklin	10,009.23
Lyons	35,721.83

Existing provision

The 2018 Interim Report shows the allowances recommended in the 2016 Report and the current level of allowance – see Table 8. The basic salary has increased, as recommended in the 2016 Report, by the WPI and the Electorate Allowances increased by CPI.

Proposed changes

The 2018 Interim Report invited submissions as to the issue of classification of electorates but received very few, therefore this issue was to be determined in the current report. The 2016 Report noted that Electorate Allowances in other jurisdictions invariably bear a direct relation to the geographic size of the electorate. Lyons/Braddon get paid the most based on number of people and land size.

Based on the redistribution and using size of the electorate as the basis for allocating an electorate to a group, the following changes could be considered:

1. McIntyre (Apsley) in Group 1
2. Prosser (Western Tiers) moves from Group 2 to Group 3
3. Derwent moves from Group 3 to Group 2
4. Windermere moves from Group 5 to Group 4
5. Huon moves from Group 4 to Group 5

³² <https://www.aec.gov.au/profiles/>.

Table 13 – Proposed Groupings for Legislative Council Electorate Allowance

Grouping	Electorate
1	McIntyre
2	Murchinson, Derwent
3	Prosser
4	Windermere, Montgomery, Rumney
5	Huon, Mersey, Rosevears, Elwick, Nelson, Launceston, Pembroke, Hobart

Consideration

10.1 Submissions are sought on the proposed reassignment of groupings for the Legislative Council Electorate Allowance.

11 Committee Sitting Fees

Existing provision³³

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.

There are no sitting fees payable for members of Standing Committees as of 1 July 2016.

The sitting fee paid on a daily basis, irrespective of the time occupied by 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 is shown below.

Table 14 - Committee Fees – Australian Parliaments

Parliament	Chair ³⁴
Commonwealth ³⁵	\$6 213 (3%) - \$33 136 (16%)
ACT ³⁶	\$16 438 (10%) public affairs committee

³³ 2016 Determination at 3.3.

³⁴ Note: Commonwealth, WA and Victoria have additional salary for Deputy Chairs.

³⁵ Remuneration Tribunal Determination 2018.

³⁶ ACT Remuneration Tribunal (Members of Parliament) Determination 2 of 2018, section 3.

Parliament	Chair ³⁴
NSW ³⁷	\$210 per day (but not if remunerated as an office holder)
Northern Territory ³⁸	\$32 539 (20%) scrutiny committee ³⁹
Queensland ⁴⁰	\$60 208
South Australia ⁴¹	\$27 431 (14%) - \$33 309 (17%)
Tasmania ⁴²	\$168/day (0.12%) Standing Committees
Victoria ⁴³	\$7 928 (5%) - \$23 784 (15%)
Western Australia ⁴⁴	\$15 087 Standing Committee

Consideration

11.1 It should be noted that Chairs of a Committee already receive an additional salary of 20% as prescribed by the PSSAA, see Table 6. In light of this, the Commission seeks submissions about whether committee fees should be re-considered as part of this Inquiry.

12 Telecommunications Allowance

Existing provision

The 2016 Determination provides that a Telecommunications Allowance is payable to each MP Allowance from 1 July 2016 to 30 June 2018 as follows: ⁴⁵

- 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.

³⁷ Annual Report and Determination of Additional Entitlements for Members of the NSW Parliament 16 May 2018, section 5.4.

³⁸ Northern Territory of Australia Remuneration Tribunal Report and determination no 1 of 2018 – Schedule 1.

³⁹ Excludes House, Privileges, Standing Orders and Members' Interests.

⁴⁰ *Queensland Independent Remuneration Tribunal Determination 12/2016*.

⁴¹ *Parliamentary Remuneration Act 1990 (SA)* – Schedule: Offices attracting additional salary.

⁴² Tasmanian Industrial Commission Determination 2016, section 3.3.

⁴³ *Parliamentary Salaries and Superannuation Act 1968 (Vic)*, section 6 Table.

⁴⁴ Salaries and Allowances Tribunal (WA) Remuneration of Members of Parliament - Determination 1 December 2017 Section 2.3.

⁴⁵ See section 3.4 of the 2016 Determination.

Members' Resource Allowance

The 2016 Report also noted that in addition to this allowance, each MP has access to a Members' Resource Allowance (MRA). The MRA is currently fixed at \$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 PSSAA.

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 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 adequate for the purpose it is intended for.

The 2016 Report

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

It was argued that MPs should be given IT and communications equipment required to do the job and it should also be put on appropriate plans and paid by the taxpayer. MP's should be contactable on their mobile device and so should not be recompensed for the provision of a landline home telephone service.

Submissions also argued that as 'home office expenses' and 'internet access fees' are included as part of the Electorate Allowance, this should be clarified by the Tribunal.

In relation to home landline services, it was noted that approximately 25% of MP's actually submit a claim for reimbursement. Given the portability of technology and the support provided by the Parliament and through the MRA, the 2016 Tribunal believed there was no justification for continuing with reimbursement for home based landline services.

The 2016 Tribunal 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.

Considerations

- 12.1 Telecommunications and technology are changing rapidly and therefore the Commission seeks submissions from MPs and interested parties about what technology should be included in future Telecommunications Allowances.**
- 12.2 The Commission also seeks submissions relating to the specific legitimate uses of the Telecommunications Allowance.**

13 Entertainment Allowance

Existing provision

The Premier, President of the Legislative Council and the Speaker of the House of Assembly are entitled to an Entertainment Allowance⁴⁶, which is specified as a

⁴⁶ See Clause 5 of Schedule 6 of the PSSAA.

percentage of the basic salary (Table 11). This was affirmed by the 2016 Determination and Report.

Table 15 – 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%

The 2016 Report

Submissions received by the 2016 Tribunal generally supported the continuation of this allowance and the Tribunal recommended no change.

Consideration

13.1 The Commission invites submissions as to whether there are any reasons to depart from the recommendation of the 2016 Tribunal.

14 Away from Home Travelling Allowance

Existing Provision

In the the PSSAA, the Away from Home Travelling Allowance is expressed in the following terms⁴⁷:

“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 the Allowance is to be calculated in accordance with the Travel Allowance and Meal Allowance components prescribed from time to time by the Tasmanian State Service Award of the Commission.
- (3) Where a Member of Parliament exceeds the Allowance to which he or she is entitled, the member may, subject to any guidelines issued from time to time by the Government, claim an allowance by way of reimbursement of expenses, at the rate equivalent to the actual expenses incurred, on submission of documentary evidence of those expenses.
- (4) The Allowances referred to in subclauses (2) and (3) are mutually exclusive and a member must claim either the Travelling Allowance referred to in subclause (2) or the reimbursement of actual expenses referred to in subclause (3).”

⁴⁷ See clause 3.6 of the 2016 Determination and clause 6 Schedule 6 of the PSSAA.

Consideration

14.1 The Commission invites submissions as to the adequacy or otherwise of this entitlement.

15 Bass Strait Islands Travelling Allowance

Existing provision

The Bass Strait Islands Traveling Allowance⁴⁸ provides that a MP travelling to the Bass Strait Islands on official Parliamentary business is entitled to an allowance equivalent to the reimbursement of expenses incurred. This Allowance is payable by way of reimbursement of expenses incurred.

From the information available to the Commission, the Bass Strait Islands Travelling Allowance has only been utilised by the members of Murchinson, McIntyre, Bass, and Braddon who have King Island and Flinders Island in their respective electorates. This Allowance is also relatively modest in its usage by these members.

Consideration

15.1 The Commission invites submissions as to the continuation of the Bass Strait Islands Travelling Allowance.

16 Resettlement Allowance

Issues

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

The concept of a 'Resettlement Allowance' is now a feature of all Australian Parliaments other than NSW and Tasmania. In essence the allowance is designed to assist former MPs to move from political life to private life. The determination of the West Australian Salaries and Allowances Tribunal of 10 August 2012 provides a summary of reasoning for a Resettlement Allowance:

"This allowance is to facilitate a Member's transition from public office to private life. This allowance will assist a Member to access resettlement advice and services including financial counselling, re-employment 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.

⁴⁸ See clause 7 of Schedule 6 of the PSSAA.

Table 16 - Resettlement Allowance in Australian Parliaments

Jurisdiction	Arrangements
Commonwealth ⁴⁹	6 months basic salary for a member who has served more than full term. Eligible if defeated at an election or loses party endorsement.
ACT ⁵⁰	2 weeks of base salary for each year of service, capped at 12 weeks. All retiring and/or defeated MPs eligible.
NSW	Nil
Northern Territory ⁵¹	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 ⁵²	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 ⁵³	12 weeks of basic salary.
Tasmania	Nil
Victoria ⁵⁴	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 ⁵⁵	3 months of base salary for MPs serving one term. 6 months of base salary for MPs serving more than one term but less than three. 9 months base salary for MPs serving three terms or more.

The 2016 Report

This proposal is yet to be implemented by previous inquiries. In the 2016 report, the Commission sought submissions as to whether a resettlement allowance should be adopted. Unions Tasmania, the CPSU and the ANMF (Tas) all supported the principle of a Resettlement Allowance. It was noted that there was a persuasive case for Resettlement Allowance in Tasmania as sitting MP's generally do not approach an election with the intention or expectation they will be defeated. If this occurs, the allowance would be a modest amount with the aim to provide help for the sudden loss of income.

⁴⁹ Remuneration Tribunal Determination 2018 Members of Parliament – Entitlements, sections 4.8-9.

⁵⁰ ACT Remuneration Tribunal Determination 1 of 2016, section 5.

⁵¹ Northern Territory of Australia Remuneration Tribunal Report and Determination no 1 1 of 2018, section 14.

⁵² Legislative Assembly of Queensland - Members Remuneration Handbook July 2015, section 3.2.3.1.

⁵³ *Parliamentary Remuneration Act 1990 (SA)*, section 5A.

⁵⁴ *Parliamentary Salaries and Superannuation Act 1968 (Vic)*, section 7E.

⁵⁵ Salaries and Allowances Tribunal (WA) Remuneration of Members of Parliament - Determination 1 December 2017 Part 8.

Consideration

16.1 The Commission invites submissions as to whether a resettlement allowance should be adopted (within the meaning of section 3C(2) of the PSSAA) and if so, what the qualifying period (the number of terms) should be and the appropriate quantum.

17 Submissions and Public Hearings

The Commission invites written submissions from interested parties (individuals or organisations) on the matters raised in this Issues Paper, or related subjects. If a party making a written submission wishes to supplement those submissions with oral submissions they should request that opportunity in their submission.

Written Submissions

The closing date for written submissions is Friday, 4 December 2020. Electronic format (email) is strongly preferred. If submissions are also sought to be made orally the Commission will consider your request.

If required, hearings will be made available at a date yet to be decided.

Submissions to be Public Unless Otherwise Indicated

The default position is that submissions and oral representations will be public. Should any individual or organisation wish to make a private submission or oral representation, the Tribunal will respect such wish, provided it is clearly indicated. Written submissions will be placed on the Tasmanian Industrial Commission web site, unless the author indicates otherwise.

Final Report

The final Report of the Commission is to be tabled in Parliament in January 2021.

Secretariat

Contact details for the Secretariat are as follows:

Ms Marlene Jara

Phone: (03) 6165 6774

Email: tic@justice.tas.gov.au

Internet: www.tic.tas.gov.au

7th Floor,
86 Collins St.
Hobart, TAS 7000

GPO Box 1108, Hobart TAS 7001

Appendix 1

Changes to Basic Salary 1996 to 2018

Date	Salary \$pa.	Increase	Comments
1/7/1996	68 372	1.26%	1997 Report sets basic salary at 85.19% of Commonwealth basic salary
1/7/1997	69 733	1.99%	Commonwealth nexus
1/7/2000	72 837	4.45%	5% increase in Commonwealth rate
1/7/2001	78 375	7.6%	Commonwealth nexus
1/7/2002	81 442	3.9%	Commonwealth nexus
1/7/2003	84 168	3.3%	Commonwealth nexus
1/7/2004	87 541	4%	Commonwealth nexus
1/7/2005	90 957	4%	Commonwealth nexus
1/7/2006	94 689	4%	Commonwealth nexus
1/7/2007	101 334	7%	Commonwealth nexus
1/7/2008	108 242	6%	Commonwealth nexus
1/7/2010	111 663	3%	Commonwealth nexus
1/7/2011	113 866	2%	Linkage with Commonwealth broken after Remuneration Tribunal awards 31% increase. 2% consistent with State wages policy
1/7/2012	116 143	2%	PSSAA reflecting State wages policy
1/7/2013	118 446	2%	PSSAA reflecting State wages policy
1/7/2015	120 835	2%	PSSAA as amended by the 2015 Act reflecting State wages policy
1/7/2016	133 560	10%	2016 Report
1/7/2017	136 765	2.4%	2017 Interim Report
1/7/2018	140 185	2.5%	2017 Interim Report

For a detailed history of the basic salary since the inception of the Tasmanian Parliament, see Appendix 1 of the 2016 Report.

Appendix 2

Role of the MP

1 Extract from 2016 Report – section 5.1.1

The 2013 Issues Paper and the 2014 Report considered the role of an MP.

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 Parliament⁵⁶:

“ 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 Report⁵⁷ and more recently the Queensland Independent Remuneration Tribunal Determination (Queensland Determination No 1/2013).⁵⁸ 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

⁵⁶ See paragraphs 4.2.1 and 4.2.2 of the 2014 Report.

⁵⁷ *The Attributes, Role and Reward of a Backbencher in the Federal Parliament*, Egan Associates, November 2011.

⁵⁸ *Building a New Remuneration Structure for Members of the Queensland Parliament*, Queensland Independent Remuneration Tribunal, Determination 1/2013 15 October 2013.

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;
- 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."