



**AUSTRALIAN NURSING & MIDWIFERY  
FEDERATION (TASMANIAN BRANCH)  
SUBMISSION**

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

**October 2015**

## **Australian Nursing & Midwifery Federation (Tasmanian Branch)**

### **Organisation Overview**

The Australian Nursing and Midwifery Federation (ANMF) is both the largest nursing and midwifery union and the largest professional body for the nursing and midwifery teams in Tasmania. We operate as the State Branch of the federally registered Australian Nursing and Midwifery Federation. The Tasmanian Branch represents over 7,500 members and in total the ANMF across Australia represents over 249,000 nurses, midwives and care staff. ANMF members are employed in a wide range of workplaces (private and public, urban and remote) such as health and community services, aged care facilities, universities, the armed forces, statutory authorities, local government, offshore territories and more.

The core business of the ANMF is the industrial and professional representation of nurses, midwives and the broader nursing team, through the activities of a national office and branches in every state and territory. The role of the ANMF is to provide a high standard of leadership, industrial, educational and professional representation and service to members. This includes concentrating on topics such as education, policy and practice, industrial issues such as wages and professional matters and broader issues which affect health such as policy, funding and care delivery. ANMF also actively advocates for the community where decisions and policy is perceived to be detrimental to good, safe patient care.

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## Contents

1. Introduction .....	3
2. Executive Summary.....	3
3. Role of an MP.....	4
4. The Basic Salary.....	5
5. Mechanism for Future Adjustment of Salary.....	7
6. Additional Salary for certain Office Holders .....	7
7. Motor Vehicle Allowance.....	7
8. Electorate Allowance .....	8
9. Committee Sitting Fees.....	9
10. Telecommunications Allowance .....	10
11. Entertainment Allowance .....	11
12. Away from Home Travelling Allowance.....	11
13. Bass Strait Islands Travelling Allowance .....	12
14. Taxi Allowance .....	12
15. Resettlement Allowance.....	12

## 1. Introduction

This submission has been constructed following the release of an Issues Paper relating to the Inquiry into Parliamentary Salaries and Allowances by the Full Bench of the Tasmanian Industrial Commission. The Issues Paper released on 25 September 2015 welcomed submissions from interested individuals and organisations.

The Issues Paper identifies some of the matters which need to be determined and provides options for the future consideration of parliamentary salaries and allowances. It is further noted that the Full Bench is required to revisit the former 2014 Report on the matter, which was not accepted by the Government.

It is noted that the *Parliamentary Salaries, Superannuation and Allowances Amendment Act 2015* was passed by the Parliament on 13 July 2015. The amendments within the 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 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 for MPs after 30 June 2016 are to be determined by the Commission.

## 2. Executive Summary

1. ANMF supports a full work value and a true basic salary to be determined based against Public Sector salary structure but the actual salary package needs to be factored which is more in line with community expectations and needs to be considered in its entirety.
2. Actual sitting days for both houses must be considered as part of the productivity measures and a comparison with Federal Parliament sitting requirements undertaken.
2. Considerable rationalisation/review/clarity/removal of allowances and excessive entitlements and mechanism for auditing should be undertaken to ensure transparency and equity with public sector.
3. Allowances should not be used to “top up” basic salary.
4. Parental leave, sick leave and carers leave and domestic violence must be factored in to be brought in line with family friendly modern principles.
5. The majority of principles from Remuneration and WA Tribunal supported.

### 3. Role of an MP

#### Considerations

The 2013 Issues Paper and 2014 Report considered the role of an MP and identified a number of matters to consider, key points as summarised below:

#### *The Role of an MP (2014 Report – section 4.2)*

- MPs have an electorate office supported by electorate staff, which is used as a key contact point for constituents within their electorate.
- Majority of members have post-secondary or tertiary education.
- MPs on average work 70 hours per week.
- A Backbencher needs computing skills and capacity to prepare correspondence and respond to constituents, who send on average, over 1000 emails each week.
- A Backbencher is responsible and accountable for at least four staff and an Electorate Office budget of between \$500,000 to \$1m.
- House of Representatives members represent Electorates with between 85,000 and 130,000 electors.
- 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) – equivalent to a role of key executive or specialist advisor in a major Department.

#### ANMF (Tas) Submissions – Role of an MP

1. ***It is likely that the role of an MP is still as described in the previous report (2014 Report), but 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.***

- Comparability of sitting days in Tasmania is significant and increasing sitting days would indicate an improvement in productivity, which is being requested by all public sector employees.
- Election nomination may be considered a form of electorate measurement based on performance KPI's and accountability as perceived by voters.
- Some form of consideration must be given to the growing numbers of minders and bureaucrats, media personnel drafting and response to media and attending to out of hours contacts and the use of technology.
- Many senior executives travel and do not get additional allowances for being away from home - know quantum as part of the consideration to stand/or apply for the senior executive position.

Interesting to note, comments re the work value findings including;

- Responsibility for four staff and budget of up to \$1m - which is a low managerial responsibility level for many public sector managers.
- Tertiary qualifications - expected for all public sector managers.

- Computing skills and capacity to respond in writing - basic skills for public sector managers.
- Up to 130,000 electors - many public sector managers manage over 400 staff and provide services to similar size of people/electors in their regional communities.

Therefore, relativity to SES as whole package seems more relevant but not in addition to generous entitlements e.g. committee sitting allowance.

## 4. The Basic Salary

### Considerations

#### *2015 Issues Paper Summary*

The basic salary is provided for in the PSSAA and in essence is the salary paid to all MPs and does not include any additional payments such as ministerial loadings, superannuation and electorate allowance.

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 2013 Tribunal prefaced the 2014 report with an observation that 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. However, the Tribunal chose an alternate course and in order to do this noted they must establish an appropriate base, which is not possible by the application of the Government wage policy of a 2% salary increase.

The 2014 Report recommended a salary increase to \$128,000 pa from January 2015 to be phased in over six months. Further, that from 1 July 2015 and 2016 the basic salary be adjusted in line with movements in the Wage Price Index for Tasmania and a further review be conducted by an independent tribunal in 2016-17.

### **ANMF (Tas) Submissions - Basic Salary**

1. ***Was the recommended salary of \$128,000 pa from January 2015 appropriate in light of the considerations taken into account? (Note the next adjustment will not be before July 2016)***
2. ***If the answer to 1 above is yes, is there a 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 'catch up' to be phased in over an extended period?***
3. ***Was the 2014 recommendation wrong? If so, what alternative approach is preferred?***

It appears that unless the basic salary is correct based on relativity and work value, then it is under false pretences to then top up or indeed compare interstate relativities, with this "basic salary" and the myriad of allowances and

entitlements. Rather the remuneration package should be considered in its entirety.

It is vital to set the basic salary correctly and then incorporate the other package components to derive the full salary package for Tasmanian politicians.

Some politicians continue to enjoy and will have access to the RBF Parliamentary Superannuation entitlements and conditions e.g. disability criteria, which are well in excess of other public sector defined benefits for "normal" Tasmanian retirees.

Additionally, there appears duplication of many allowances e.g. Members Resources Allowance and Telecommunications allowance e.g. both compensating for data download costs.

The "additional salary component" should be included in this review to enable the correct base salary based on work value to be set. Without further rationale, it is hard to comment on the quantum of this percentage increase based on office positions.

- ANMF supports most of the Remuneration Tribunal principles and supports the administration of the funding to work as in normal operational business where a budget is set, transparency of expenses through the provision of receipts are all implemented to bring parliamentarians in line with normal public sector practices and societal expectations.
- Work value should be examined in line with the increasing staffing, delegation of responsibility and statutory accountability through devolution through GBE's, Tasmanian Health Organisations etc.
- Public sector managers are measured against budget accountability and a series of domains which could be utilised.
- Consideration of the limited sitting days, should be factored into the work value as the majority of work seems to be electorate based work.
- The current Tasmania Government Wages Policy must be persuasive and parliamentarians cannot be excluded from austerity measures.

ANMF supports the principle of a nexus with the other states conditional on same work value and if agreed as a principle, should be also implemented across all the professional sectors to ensure the principle of equity. However, it must be a comparison of "apples with apples".

Current Tasmanian parliamentary salaries could not be compared due to the myriad of additional allowances, less sitting days and smaller electorates

The lower number of sitting days i.e. 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.

Furthermore, this comparative salary package must include all additional allowances and entitlements.

Tasmanian circumstances and government wages policy including productivity measures must be considered. It is interesting to note the more recent reviews have severed the link of Tasmanian employees with Federal rates and considered the local wage policies as appropriate.

ANMF (Tas) supports Unions Tasmania's submission that provides for the basis for creating the nexus between Tasmanian parliamentarians and other State and territory parliamentarians. To establish a nexus for future wage determination it is reasonable for the average of all state and territory's excluding Tasmania be used to establish the % differential that exists as at the 01 January 2015.

## **5. Mechanism for Future Adjustment of Salary**

### **ANMF (Tas) Submissions - Mechanism for Future Adjustment of Salary**

- 1. *The Commission seeks submissions about appropriate adjustment mechanisms to include in a multi-year determination, should one be made.***
- 2. *The Commission also seeks submissions on the preferred period of its first determination.***

ANMF (Tas) supports recommendations from the 2014 report.

## **6. Additional Salary for Certain Office Holders**

ANMF (Tas) makes no submission.

## **7. Motor Vehicle Allowance**

### **Considerations**

It is noted that existing provisions entitle each MP to be paid a Vehicle Allowance of \$15,305 pa. 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.

It is also noted that recently there has been a change to the Motor Vehicle Allowance arrangement applicable in Tasmanian State Service to Senior Executive 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 RBF Defined Benefit Scheme, may elect to receive an annual allowance in lieu of a fully maintained private plated motor vehicle. The current quantum for this allowance in lieu of a motor vehicle is \$15,700 pa for SES Officers at 1 and 2 and \$16,900 pa for offices at SES level 3 and above and Heads of Agencies.

It was a recommendation of the 2014 Report that existing arrangements regarding 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 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.

#### **ANMF (Tas) Submissions – Motor Vehicle Allowance**

- 1. 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.***

ANMF (Tas) supports normal state service entitlements and conditions should be applied for motor vehicle allowance/provision relevant to SES 1.

## **8. Electorate Allowance**

### **Considerations**

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 and the entitlement and basis from which the current amounts are derived was subject to an in-depth review by the Committee of review established in 2006, which also identified expense items that might appropriately fall within the purview of the Electoral Allowance i.e. accommodation, postage, pamphlet drops, professional development, communication with the electorate, upgrading to a non-standard vehicle, commissioning research projects, entertainment, attendance at functions, subscriptions and donations, advertisements, home office expenses, internet access fees, taxi fares.

It is noted that the 2013 Tribunal was informed that the restructured allowance has worked satisfactorily, particularly with administrative efficiency and each MP must justify to the Australian Taxation Office the legitimacy of expenditure.

The recommendation of the 2014 Report is for existing allowances to be increased by 2.76% effective from 1 July 2014 and in future be adjusted in line with the CPI rather than the basic salary.

#### **ANMF (Tas) Submissions – Electorate Allowance**

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

Refine criteria for electorate allowance to bring in line with community expectation and transparency. ANMF (Tas) do not support this allowance to be used discretionally on entertainment, which is stated twice in listing or taxi fares, which could be perceived as double dipping with other entitlements.

Strict policy and criteria should be developed to ensure this allowance is confined to electorate use; public communication i.e. brochures, newspaper advertisements of whereabouts, commissioning research and postage. Receipts should be required for auditing and ANMF (Tas) supports the legitimacy of expenditure justified through the ATO.

CPD allowance has already been incorporated into this allowance previously and the allowance should be divided out as a separate allowance to ensure transparency for electorate duties and professional development cap and approval in line with many conditions for public servants.

Removal of items on list which are covered by another allowance e.g. home office expenses, internet access fees, taxi fares, entertainment, accommodation expenses when travelling within electorate to ensure transparency and clarity.

True operating expenses could be then accounted for e.g. advertisements, postage and printing, outsourcing research work if unable to seek research through parliamentarian library services, subscriptions, donations, however, professional development should be a separate allowance and criteria to be met as per the public sector policies.

Alternatively, the base electoral allowance \$30,614 could be built into the base salary with a true extra allowance for rural electorates based on a percentage increase and reimbursed based on ATO approval.

## 9. Committee Sitting Fees

### Considerations

The 2013 Tribunal noted that:

- Sitting fees are paid on a daily basis irrespective of the time occupied by the meeting, which varies.
- Sitting fees are only payable to Members and Chairs of Standing Committees as distinct from Select Committees with no logical explanation for the distinction other than historical.
- Committee work is very much part of the core role of an MP, however the role of Committee Chair can be an onerous one and is something over and above that expected of a Committee member.
- Sitting fee rates for Committee Chairs in Tasmania were significantly less than those applicable in any other parliamentary jurisdiction in Australia.

The 2014 Report recommended that sitting fees for members of standing committees be abolished from 1 July 2014 and sitting fees for Committee Chairs to continue but include the Chairs of all Standing and Select Committees.

The 2013 Tribunal also recommended that the daily sitting fee be equivalent to 0.12% of basic annual salary for each day on which the Chair attends a summoned meeting of the Committee with the allowance to take effect from 1 July 2014.

### ANMF (Tas) Submissions – Committee Sitting Fees

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

ANMF (Tas) supports incorporating the daily committee fee as part of the work value study sitting requirements which should be factored in to the base salary and this fee should be abolished. It is expected that parliamentarians participate in committee work.

## 10. Telecommunications Allowance

### Considerations

Existing provisions (per PSSAA) provide for:

1. Service and equipment charges for one telephone service installed in the MPs home and 80% of all call charges applicable to that fixed line; and
2. 80% of all charges for a mobile telephone
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 2013 Tribunal noted that in addition to this allowance, each MP has access to a Members Resource Allowance (MRA) of \$7,500 pa, which is provided under a policy decision of the Government through budget allocation and not provided as a legislated provision under the PSSAA. The MRA has been used for the purpose of purchasing hardware items, such as smart phone, table, laptop, 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 direct to the member but is administered on a 'draw down' basis and if not fully expended in any given year the unspent balance reverts to consolidated revenue.

It is also noted that the 2013 Tribunal was informed that mobiles are administered on the basis of a 'whole of parliament' contract. Members are sent an account, on a regular basis, for 80% of the data and call charges applicable to that phone and in 2013 there appeared to be widespread satisfaction with this arrangement.

It was also noted that people have often dispensed with a 'traditional' landline services and in 2013 less than half of Members appeared to submit claims for reimbursement for the costs of a home telephone service.

The 2014 Report recommended existing arrangements re provision of equipment and reimbursement of 80% of mobile telephone charges to continue and existing arrangement for home land line phone services to be replaced with an allowance of \$50 per month.

There was no recommended change to the mobile phone allowance 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 non-government party to remain unlimited.

### ANMF (Tas) Submissions – Telecommunications Allowance

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

As is current standards, provision of smart mobile phones with current 80% call/data paid but not home lines should be allowable. Again, this should be brought in line with state services policy.

The Member's Resource Allowance (\$7,500 pa) should be removed to enable supply of IT equipment from the "whole of parliament" contract. Politicians should have suitable IT equipment provided e.g. laptop/ipad as they require. This allowance should not be annual as IT equipment is not replaced

annually. It is also noted that “home office expenses” and “Internet access fees” are included as part of the electorate allowances and this should be clarified.

## 11. Entertainment Allowance

### Considerations

It is noted the existing provision states the Premier, President of the Legislative Council and the Speaker of the House of Assembly are entitled to the Entertainment Allowance, specified on as a percentage of their basic salary i.e. Premier = 12%, President of the Legislative Council = 6% and Speaker of the House = 6%.

The 2014 Report recommends the allowance continue unchanged.

### ANMF (Tas) Submissions – Entertainment Allowance

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

While it is completely reasonable for key politicians required to entertain, to have those costs met, it should be built into operating budgets and not allocated privately to individuals. Need complete transparency in relation to value of tax payer money expenditure and invoice/receipt required not just as a paid allowance.

## 12. Away from Home Travelling Allowance

### Considerations

It is noted the existing provision is for parliamentary business travel at a rate to be calculated in accordance with the Travel Allowance and Meal Allowance components prescribed from time to time by Tasmanian State Service Award of the Commission.

It was noted by the 2013 Tribunal that there was no evidence that MPs require a more generous arrangement than that applicable to State Servants.

The recommendation of the 2014 Report, apart from minor changes to ensure consistency with the State Service provisions, was that the existing arrangements continue.

### ANMF (Tas) Submissions – Away from Home Travelling Allowance

1. ***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.***

Normal state service travelling allowances should be paid for interstate and international travel, but not for normal participation in duties.

However, accommodation required for those politicians only who are required to travel, should be based on the Travel Allowance from the Tasmanian State Service Award of the Commission.

Meal reimbursement should cover meals for those travelling out of their electorate, excluding for day travel, in line with senior manager's expectations.

All parliamentarians have access to subsidised meals within Parliament House. State Service employees have vending machines after hours on night duty, which they pay to access.

## **13. Bass Strait Islands Travelling Allowance**

### **Considerations**

It is noted the existing provision provides for an MP traveling to Bass Strait Islands on official Parliamentary business the entitlement to an allowance equivalent to the reimbursement of expenses incurred.

The 2014 Report recommended this allowance remain unchanged.

### **ANMF (Tas) Submissions – Bass Strait Islands Travelling Allowance**

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

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

## **14. Taxi Allowance**

### **Considerations**

The 2013 Tribunal 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'. The existing provision was that the PSSAA 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.

### **ANMF (Tas) Submissions – Taxi Allowance**

- 1. The Commission invites submission as to whether there are any reasons to depart from the recommendations of the 2013 Tribunal***

ANMF (Tas) support the recommendation of the 2013 Tribunal that this should be an administrative practice rather than a specified allowance and should be excluded from the list of the electorate allowance to avoid confusion.

## **15. Resettlement Allowance**

### **Considerations**

*The issue (as per 2015 Issues Paper)*

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 2014 Report recommended introduction of 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 a MP must meet the following criteria:

- A 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.
- A MP elected at a by-election or recount will not be eligible until they have served at least one full term
- A 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 are subsequently defeated is not eligible for the resettlement allowance.

**ANMF (Tas) Submissions – Resettlement Allowance**

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

ANMF (Tas) supports the Unions Tasmania position that the determination of the 2013 Tribunal should not be implemented but that the following be adopted:

1. That a period of 8 weeks be provided as a resettlement allowance in the event that a sitting member is defeated at election;
2. That where a member has served at least three terms that member not be eligible; and
3. Members who choose to retire are not eligible for the resettlement amount.

**Other matters for consideration:**

That there be further consideration by the TIC on establishing a minimum set of conditions applicable to members of parliament, e.g. paid parental leave, domestic violence leave etc.

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