

UNIONS **tasmania**

Submission

**Full Bench of the Tasmanian
Industrial Commission**

on

**Inquiry into Parliamentary
Salaries and Allowances**

Unions Tasmania
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INTRODUCTION

On the 25th September the president of the TIC released an issues paper seeking submissions from interested individuals and organisations

In the time available Unions Tasmania has consulted with affiliates

Unions Tasmania notes that The TIC also intends to seek oral representations commencing the week of the 2nd November.

Executive Summary

Unions Tasmania is of the view that there needs to be a system for adjusting Parliamentarian's salaries that removes inconsistencies. The inconsistencies in the system are largely brought about because of the reluctance of politicians being seen to reward themselves a pay increase which has historically artificially distorted salary rates payable to politicians. The "politics" surrounding increasing salaries to politicians has historically undermined previous independent reviews of politicians pay and recommendations flowing from these reviews.

A mechanism needs to be established that provides a transparent, independent review of salaries that takes into account such things as the assessment of the relative value of the work of Tasmanian parliamentarians against other jurisdictions.

Unions Tasmania in its submission uses all Australian States and Territory's as relevant jurisdictions with the exclusion of the Commonwealth Government

Unions Tasmania notes throughout the issues paper that the TIC have identified a range of matters for consideration of submissions.

Allowances are not intended to supplement the income of politicians. The purpose of allowances is to meet the cost of legitimate expenses incurred in undertaking their role. Accordingly, allowances, entitlements and benefits should be either be paid by way of reimbursement of actual expenditure or be based on the realistic estimates of the costs. Mechanisms should be in place to review the amount of each allowance, entitlement and benefit annually to ensure it maintains its real value.

Fundamental principles

1. Wages and quantum to be determined by the Tasmanian Industrial Commission
2. In extraordinary circumstances where it is of the view of Parliament that the decision of the TIC should not be implemented then those arguments should be argued before the TIC
3. That public submissions be called for in February of each year with any payment to operate from July 1,

The 2014 Report

As a threshold issue UT submits that the starting point of any determination should be as was recommended in the 2014 report

Basic Salary

UT's view is that provides the basis for creating the nexus between Tasmanian parliamentarians and other State and territory parliamentarians.

To establish a nexus for future wage determination UT submits that it is reasonable for the average of all state and territory's excluding Tasmania and the Commonwealth be used to establish the % differential that exists as at the 01 January 2015.

Table 2 - Comparison of basic salary for each Australian Parliament 1996 -2015

Parliament	Basic salary as at 30 June 1996	Basic salary as at 1 July 2015	% increase 1996 to 2015
Commonwealth	80 251	195 130	143.4%
ACT	58 264	136 758	134.7%
NSW	79 751	153 280	92.2%
Northern Territory	77 251	147 416	90.8%
Queensland	79 751	148 848	86.6%
South Australia	78 251	153 130	95.7%
Tasmania	68 372	120 835	76.7%
Victoria	79 751	145 277	82.2%
Western Australia	79 453	154 223	94.1%
Average of all Parliaments excluding Tasmania	76 590	154 280	101.4%
% differential from Tasmania	12.0%	27.7%	
Average of all State and Territory Parliaments excluding Tasmania	76067	148 419	95.1%
% differential from Tasmania	11.3%	22.8%	

Each year the TIC should then make a determination of the salary increase for the next year, taking into account submissions from interested parties and consistent with the standard principles that are contained in the Fair Work Act e.g. capacity to pay

Of considerable importance in establishing a transparent and fair system of remuneration to politicians is that Parliament be unable to veto increases awarded through any independent external statutory mechanism. Legislation which enables political interference with recommendations arising from annual reviews of salaries must be disallowed. A Parliamentary mechanism ensuring that

politicians veto rights on awarded increases should be considered as a key recommendation arising from this process.

The establishment of a system vulnerable to political interference in our view is unacceptable.

Matters for Consideration Chapter 5 – The Basic Salary

Agree with the recommendation in the 2014 Tribunal Report that the salary be \$128,000. This was subject to an exhaustive independent review based on work value principles and should be the starting point for future wage consideration

Matters for Consideration Chapter 6 – Mechanism for the Future Adjustment of Salary

UT submits that the mechanism for determining future salary adjustments be on the basis of establishing the differential as at 01 January 2015 between the \$128,000 and the average of the State and territory parliament salaries (excluding Tasmania) and that process be legislated

Future adjustments would take into account circumstances which may also reduce the differential, each hearing should consider that in light of current circumstances

Matters for Consideration Chapter 7 – Additional Salary for Certain Office Holders

No fixed view, we support the current additional salary % for those positions identified

Matters for Consideration Chapter 8 – Motor Vehicle Allowance

Support the recommendation of the 2013 Tribunal

Matters for Consideration Chapter 9 – Electorate Allowance

No view

Matters for consideration Chapter 10 – Committee Sitting Fees

UT sees no reason why the daily committee fee should be retained on the following basis:

- That the basic salary has increased
- Committee work is a core part of the work of a parliamentarian and should not be subject to additional remuneration.

Chapter 7 provides for an additional salary for that of a Chair of a Committee which is fair and reasonable

Matters for Consideration Chapter 11 - Telecommunications Allowance

Remove

Matters for Consideration Chapters 12 – Entertainment Allowance

It is reasonable for senior politicians to have the capacity to meet the cost of reasonable entertainment expenses when entertaining people as part of their role. The circumstances in which entertainment expenses can be utilised should be clearly set out and the actual costs of entertainment reimbursed rather than an allowance being paid.

Matters for Consideration Chapter 13 – Away from Home Travelling Allowance

Where politicians are required to travel for work reasons away from their home base they should be provided a reasonable standard of meals and accommodation at no out of pocket expense to themselves. This can either be done by their employer meeting the costs of meals and accommodation or by the payment of allowances capped at the ATO limit.

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

Matters for Consideration Chapter 14 – Bass Strait Islands Travelling Allowance

Support the continuation of this

Matters for Consideration Chapter 15 - Taxi Allowance

Support the recommendation of the 2013 Tribunal that this should be an administrative practice rather than a specified allowance

Matters for Consideration Chapter 16 - Resettlement Allowance

Support the establishment of such an allowance with 8 weeks being the amount compensated

UT submits 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 irrespective of whether that person has completed a full term or was elected on a count-back.
2. That where a member has served at least 3 terms that member not be eligible
3. Members who choose to retire are not eligible for the resettlement amount

Other matters

UT submits that there be further consideration by the TIC on establishing a minimum set of conditions applicable to members of parliament, eg paid parental leave, domestic violence leave & etc.

In addition that there be established a mechanism to ensure that newly elected MP's are provided with an induction process and the opportunity to undertake skill development.