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**TASMANIA**

**TASMANIAN INDUSTRIAL COMMISSION**

**PARLIAMENTARY SALARIES**

**ISSUES PAPER**

**Members**

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**March 2018**

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**ISSUES PAPER**

1. **Background**
	1. A Full Bench of the Tasmanian Industrial Commission is to review the salary, allowances and other entitlements payable to elected members of the Tasmanian Parliament (MPs).
	2. The Parliamentary Salaries, Superannuation and Allowances Act 2012 (the Act) provides for the basic salary for MPs as well as additional salary payable to some MPs for the various offices to which they are appointed (e.g. President of the Legislative Council, the Speaker of the House of Assembly, Minister of the Crown, etc.)
	3. The Act provides that a full bench of the Tasmanian Industrial Commission (the Commission) must from then on periodically inquire into, report on and make determinations about the salaries and allowances to which MPs are entitled.
	4. A determination of the Commission under the amendments to the PSSAA made by the 2015 Act will be 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).
	5. 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.
	6. 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.
	7. If a determination is disallowed the Commission has 12 months from the date of disallowance to make a new determination.
	8. The Commission prepared a report dated February 2016 which was tabled in Parliament in March 2016. The Report was not disallowed.
2. **Matters to be Determined**
	1. The Acts provides for the Commission to:

(i) review and determine the amount of basic salary payable to a MP;

(ii) review and determine the amounts 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 the PSSAA;

(iii) 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 require to be paid additional salary and determine the amounts of any additional salary payable for such offices;

(iv) review the entitlements of and benefits to MPs provided for in Schedule 2 of the PSSAA (ie Motor Vehicle Allowance; Electorate 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 the amounts of those allowances and benefits still considered appropriate; and

(v) consider whether there are any new entitlements, allowances or benefits considered appropriate to the current needs of MPs and determine the amounts of such entitlements, allowances and benefits.

1. **The 2016 Report**
	1. A detailed inquiry was made into allowances by the Commission in which gave rise to the 2016 report. The link to the report is:

<http://www.tic.tas.gov.au/__data/assets/pdf_file/0019/340561/Final_Report_2016.pdf>

* 1. From the 2016 Report the below table shows the allowances recommended in the 2016 Report and the current level of allowance. The basic salary increased, as recommended in the 2016 Report by Wage Price Index (WPI) and the Allowances increased by Consumer Price Index (CPI).

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| --- | --- | --- | --- | --- |
|   |  | 1-Jul-16 | 1-Jul-17 | Notes |
| Basic Parliamentary Salary |  | $133,560 | $136,765 | Increased by 2.4% |
| Motor Vehicle Allowance |  | $15,613 | $16,081 | Increased by 1.3% |
| Electorate Allowance (based on Electorates as at 1 July 2017) |  |  |  | Increased by 1.3% |
| Legislative Council |  |  |  |  |
| Group 1  | Apsley | $49,447 | $50,090 |  |
| Group 2 | Murchison, Western Tiers | $45,541 | $46,133 |  |
| Group 3 | Derwent, Huon | $39,035 | $39,542 |  |
| Group 4 | Montgomery, Rumney | $36,434 | $36,908 |  |
| Group 5 | Mersey, Rosevears, Windermere, Elwick, Nelson, Launceston, Pembroke, Hobart | $31,229 | $31,635 |  |
| House of Assembly | Bass | $42,940 | $43,498 |  |
|   | Braddon | $46,843 | $47,452 |  |
|   | Denison | $31,229 | $31,635 |  |
|   | Franklin | $37,735 | $38,226 |  |
|  | Lyons | $52,050 | $52,727 |  |

* 1. It is to be noted that there were Electorate name changes and boundary adjustments. Apsley is now Prosser and Western Tiers is now McIntyre. It seems likely that the redistribution will lead to a change in grouping for some electorates.
	2. 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

* 1. Submissions are sought on this proposed reassignment of groupings. In light of what follows the regrouping will be on an interim basis pending the detailed review of allowances referred to below.
	2. There were several recommendations from the 2016 Review that won’t be part of this review that will carry over to the next Review in 2019:
1. The quantum of additional salary paid in relation to the offices of President of the Legislative Council and Speaker of the House of Assembly (page 29 of 2016 Determination); and
2. The objective, legitimate uses and administration of the Electorate Allowance (page 34 of 2016 Determination).
3. **The Present Review**
	1. The Act requires this review to be conducted in 2018. The 2016 Report recommendations apply until 30 June 2018. This review is intended to apply on and from that date.
	2. It is intended that the present review be an interim review producing in effect an interim report. Pursuant to s 3E of the Act it is possible for the Commission to determine the date the next report is due. It is proposed that a detailed review be carried out during 2018 and that the next report be tabled by 1 March 2019
	3. The reasons for the proposed interim report are:
4. That the movement in salaries and allowances in Tasmania over recent times have been minimal and in line with WPI and/or CPI;
5. That the election is such that representations are not readily made as all House of Assembly members are up for re-election. It is sensible that a detailed review relate to both houses of parliament;
6. Coupled with the election, the time available to produce a detailed report is insufficient.
7. **Preliminary View for the interim review**
	1. The Commission is of the preliminary view that an increase in the salary of MPs should be in line with WPI and the increase in the allowances should increase by CPI on an interim basis. It is proposed the increases will be based on the annual increase in WPI and CPI for the financial year 2017 – 2018. It is proposed the increase will commence from 1 July 2018.
	2. The view is based on:
8. The Tasmanian and National experience of significant wage restraint and limited growth over recent years;
9. The current policy of the State Government to increase salaries by the cost of living. Wage increases for state employees for 2017-18 was 2%;
10. The full review will be completed within 3 years of the extensive 2016 review which does not constitute a significant period (and salary and allowances have increased in the meantime by WPI and CPI);
11. A full and detailed review will be undertaken leading to a report in March 2019 which will deal with all issues including the consequences of redistributions.
12. **Submissions Sought**
	1. Submissions are sought in relation to:
13. The fact that there is proposed to be an interim report and whether that is thought to be appropriate;
14. The preliminary view that the current salaries and allowances should increase by WPI and CPI until the allowance (or disallowance) of the detailed report due by 1 March 2019;
15. Any other matters relevant to the proposal for an interim report and interim increase.
16. **Lodging Submissions**
	1. Submissions should be lodged in writing with the Tasmanian Industrial Commission by email addressed to Mr Matthew Wilson (Secretariat) at tic@justice.tas.gov.au or post GPO Box 1108, Hobart, Tasmania, 7001 by 4.00 p.m. on Monday 26 March 2018.
	2. If submissions are sought to be confidential and not made available to the public the request for confidentiality should be included in the submission.
	3. It is intended to publish a report on or before Friday 13 April 2018.