



## **Remuneration Tribunal**

### ***Determination 2017/12***

### ***Members of Parliament – Base Salary, Additional Salary for Parliamentary Office Holders, and Related Matters***

#### **REASONS FOR DETERMINATION**

##### **Legislative Framework**

Section 7(1) of the *Remuneration Tribunal Act 1973* (the Act) requires the Tribunal to inquire into, and determine, the allowances paid to members of the Australian Parliament. In this context allowances includes 'allowances in accordance with section 48 of the Constitution' – commonly referred to as parliamentarians' base salary.

Section 8(1) of the Act requires the Tribunal to make determinations on section 7(1) matters at intervals of not more than one year.

Section 7A of the Act requires the Tribunal to notify its reasons for each determination made in relation to members of the Australian Parliament to the Minister and to publish those reasons on the Tribunal's website.

##### **What *Determination 2017/12* does**

As it is empowered to do by the Act, the Tribunal has inquired into and determined a general adjustment of 2 per cent in the remuneration of Public Offices in its jurisdiction, including parliamentarians, commencing on 1 July 2017.

Accordingly, *Determination 2017/12* increases parliamentary base salary by 2 per cent to \$203,030.

The Tribunal also determines, under sub-section 7(1A) of the Act, that a portion of base salary is not parliamentary allowance (superannuation salary) for members covered by the *Parliamentary Contributory Superannuation Act 1948*. This portion, which is expressed as a dollar amount, has also been adjusted to \$42,380 – the net effect of which is that superannuation salary for members of that scheme has also been increased by 2 per cent.

##### **The Tribunal's Reasons**

In meeting its obligations under section 8(1) of the Act the Tribunal decides whether any general adjustment to remuneration should occur. The Tribunal issued determinations in December 2016 and at that time made no general adjustments to remuneration. On 22 June 2017 the Tribunal decided a general adjustment of 2 per cent for all offices in its jurisdiction and provided the reasons for its decision on the website: <http://www.remtribunal.gov.au/media/news/2017-annual-review>.

In considering whether any adjustment should occur the Tribunal took account of a range of economic conditions in Australia, including trends in public and private sector remuneration. In order to inform its conclusions the Tribunal drew upon authoritative external sources such as the published material available from the Government, the Reserve Bank of Australia and the Australian Bureau of Statistics. It is obliged by the Act also to consider the Annual Wage Reviews of the Fair Work Commission.

While the work performed by the wide variety of offices in the Tribunal's jurisdiction, including parliamentarians, is diverse and unique, the Tribunal is conscious of ensuring that relativities within the group of offices for which it determines remuneration remain consistent.

Consistent with previous decisions the Tribunal maintains the view that the pay of parliamentarians should increase relative to that of other public office holders, and thus the annual adjustment paid to the office holders in the Tribunal's jurisdiction generally will also apply to parliamentarians.

Remuneration Tribunal

June 2017