



## **Remuneration Tribunal**

### **Determination 2016/16**

# **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 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.

### Why is a Determination being made now?

The last principal determination, *Determination 2015/22: Members of Parliament – Base Salary, Additional Salary for Parliamentary Office Holders, and Related Matters* was signed on 9 December 2015. Determination 2016/16 replaces that determination with effect on and from 8 December 2016.

Determination 2016/16 therefore fulfils the Tribunal’s legislated requirement to determine salary for members of the Australian Parliament at periods of not more than one year.

While the Tribunal is required to determine salary there is no requirement, either explicit or implied, for the Tribunal to adjust the amount of remuneration determined.

On this occasion the Tribunal has not adjusted the remuneration of members of the Australian Parliament. The Tribunal does not expect to determine any general increases to the remuneration of public offices, including members of the Australian Parliament until mid-2017.

The Tribunal last determined a general increase with effect on and from 1 January 2016. Determination 2016/16 therefore determines salary at the same level as the superseded determination.

There has been no change to any other provision of the superseded determination.

What are the Tribunal's reasons?

Section 11(1) of the Act states that the Tribunal can inform itself in such manner as it thinks fit. In informing itself the Tribunal has considered a wide range of economic and wage data from such authoritative sources as the Government, the Reserve Bank of Australia and the Australian Bureau of Statistics, as well as trends in public and private sector remuneration. The Tribunal is obliged by the Act also to consider the Annual Wage Reviews of the Fair Work Commission.

In deciding to make no general adjustment, the Tribunal noted particularly the pressures on the budget, the economic outlook and limited wages movement both in the private and public sector taken together with a period of sustained low inflation. In making this decision the Tribunal did not seek or receive submissions.

Remuneration Tribunal  
5<sup>th</sup> December 2016