



Remuneration Tribunal

Determination 2014/10

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

REASONS FOR DETERMINATION

Legislative Framework

Section 7A of the *Remuneration Tribunal Act 1973* (the Act) requires the Tribunal to notify its reasons for each determination made in relation to members of the Parliament of Australia to the Minister and to publish those reasons on the Tribunal's website.

What *Determination 2014/10* Does

Determination 2014/10: Members of Parliament – Base Salary, Additional Salary for Parliamentary Office Holders, and Related Matters replaces *Determination 2013/13* with effect from 1 July 2014.

The new determination:

1. fulfils the Remuneration Tribunal's legislated requirement under section 8(1) of the Act to determine salary for members of the Australian Parliament at periods of not more than one year; and
2. determines salary at the same level as in the superseded determination – that is to say, remuneration figures have not been adjusted from 1 July 2014.

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

The 2013 decisions on parliamentary remuneration were determined on 18 June 2013; so the making of *Determination 2014/10* on 14 May 2014 fulfils the Tribunal's time requirement. The Tribunal will thus have to make its next determination on this matter prior to 14 May 2015.

The Tribunal's Reasons

As noted above, the Tribunal's legal requirement is to reconsider, and determine, remuneration at periods of not more than one year. There is no requirement, either explicit or implied, for the Tribunal to adjust the amount of remuneration as the result of this review.

The Tribunal has decided to determine no annual adjustment to remuneration for offices in its jurisdiction from 1 July 2014.

The salary of parliamentarians is set having regard to a number of factors, including the pay of other offices for which the Tribunal determines remuneration. The Tribunal, over the last two years since it has had the power to determine parliamentary salary, has applied the same percentage increase following its annual review to parliamentarians as it has applied to other offices.

The Tribunal's reasons for the overall decision are contained in a statement issued on 12 May 2014. To quote from that statement:

In conducting its annual reviews, the Tribunal takes account of a range of economic factors in Australia, as well as movements in remuneration in the private and public sectors, including the Australian Public Service (APS). This has been the Tribunal's approach for many years, as detailed in previous statements. It should be noted that remuneration for offices in the Tribunal's jurisdiction is set in the context of a broader job market and economy and not in a vacuum – the remuneration outlook for other jobs in the public sector is one of the most influential factors the Tribunal takes into account.

The Tribunal has been briefed on the Government's recently released Workplace Bargaining Policy for new enterprise agreements in the APS and federal public sector generally. This policy indicates that pay adjustments in that sector will be predicated on clearly defined improvements to productivity.

For some months, noting the Government's policy, it has been evident that any wages movement in the APS and federal public sector would be restrained. Indeed, at its April meeting, the Tribunal's preliminary conclusion was that it would determine no annual review increase for offices in its jurisdiction from 1 July 2014.

This conclusion has been supported by a submission from the Government to the Tribunal on its annual review, received last week in advance of today's scheduled Tribunal meeting. The Government considers that parliamentarians and Commonwealth office holders should lead by example in these matters. The Government's submission was that the Tribunal should not approve any increases in remuneration for any offices within the Tribunal's jurisdiction for at least one year.

The Tribunal's determinations and reports are available on its website - <http://www.remtribunal.gov.au/>.

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May 2014