



REMUNERATION TRIBUNAL

Explanatory Statement: Remuneration Tribunal (Members of Parliament) Determination 2019

1. The determination is made under the *Parliamentary Business Resources Act 2017* (the PBR Act), which gives the Tribunal power to make determinations in relation to various matters for members, and former members, of the Parliament at least once each year in sections 45 and 46.
2. The Tribunal must determine the remuneration to be paid to members, the rates of travel allowances for domestic travel, and the allowances and expenses to be paid to former members. The Tribunal must publish its reasons for making a determination.
3. The Tribunal also has functions under section 35 of the PBR Act relating to travel expenses, travel and motor vehicle allowances and other public resources. The Tribunal must inquire annually into travel expenses and travel allowances for domestic travel (except rates of travel allowances for domestic travel which it determines), and may be asked by the Special Minister of State to inquire into other matters. Regulations must be made or amended in accordance with the Tribunal's recommendations.

Consultation

Annual Review

4. The Tribunal's obligations under sections 14 and 45 of the PBR Act are to make determinations in respect of remuneration for members of Parliament at least once each year. To meet its obligations under the PBR Act and the *Remuneration Tribunal Act 1973*, the Tribunal issued determinations in June 2018 and at that time included a general adjustment of 2 per cent to remuneration for all offices in its jurisdiction (including members of Parliament).
5. In conducting its annual review of remuneration, the Tribunal takes account of economic conditions in Australia, past and projected movements in remuneration in the public and private sectors (including the Australian Public Service), as well as the outcomes of reviews of public offices completed by the Tribunal. In order to inform its conclusions the Tribunal draws upon authoritative external sources such as the published material available from 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 also obliged by the Act to consider the Annual Wage Reviews of the Fair Work Commission. The Commission's 2019 decision was released on 30 May 2019.
6. The Tribunal did not receive any submissions on this matter.
7. On 6 June 2019 the Tribunal notified its decision to increase remuneration by 2 per cent for public offices in its jurisdiction with effect from 1 July 2019. A statement setting out the Tribunal's reasons for decision is available at www.remtribunal.gov.au.

8. *Remuneration Tribunal (Members of Parliament) Determination 2019* implements the Tribunal's decision for members of parliament. The Tribunal's Reasons for Determination are available at www.remtribunal.gov.au. The determination succeeds and revokes in full *Remuneration Tribunal (Members of Parliament) Determination 2018*.
9. Consultation on these amendments was considered unnecessary given the matters considered by the Tribunal in making its decision.

Specific Changes

10. The base salary to be paid to a member of Parliament has been increased by 2 per cent (rounded). The Tribunal has decided to make a corresponding change to the portion of base salary that is not parliamentary allowance for the purposes of the *Parliamentary Contributory Superannuation Act 1948*, by increasing it by 2 per cent (rounded). There was no consultation on this amendment as it has the effect of maintaining the portion originally decided by the Tribunal in 2012.
11. Other changes are the removal of a redundant note and renumbering of some clauses in Part 4 and the removal of a redundant repeal clause and related note in Part 7 (previously Part 8).

Retrospectivity

12. Any retrospective application of this determination is in accordance with subsection 12(2) of the *Legislation Act 2003* as it does not affect the rights of a person (other than the Commonwealth or an authority of the Commonwealth) to that person's disadvantage, nor does it impose any liability on such a person.

The power to repeal, rescind and revoke, amend and vary

13. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Details of the determination are as follows:

14. The determination deals with the remuneration of members of Parliament, the rates of travel allowance payable to such members, and the allowances and expenses to be paid to former members. The remuneration, allowances and expenses are to be paid out of the public money of the Commonwealth.

PART 1 – LEGAL MATTERS AND EXPLANATION OF TERMS

15. Part 1 specifies the authority for and the commencement date of the determination and specifies that the determination revokes and supersedes *Remuneration Tribunal (Members of Parliament) Determination 2018*.
16. Part 1 also contains definitions of certain words and terms used in the determination, including the definition of a 'Luxury car', the value of which exceeds the luxury car tax threshold (for fuel efficient cars) mentioned in subsection 25-1 (3A) of the *A New Tax System (Luxury Car Tax) Act 1999*. This Act is available online for free at <https://www.legislation.gov.au/Details/C2017C00069>.

PART 2 – REMUNERATION OF MEMBERS: SALARIES AND ELECTORATE ALLOWANCE

17. Part 2 sets out the base salary for senators and members of the House of Representatives, the additional salaries to be paid to parliamentary office holders and Ministers, the portion of base salary and additional salary that is not to be taken into account in defining the parliamentary allowance and salary for the purposes of the *Parliamentary Contributory Superannuation Act 1948*, and the electorate allowances.

PART 3 – REMUNERATION OF MEMBERS: OTHER REMUNERATION

18. Part 3 sets out other remuneration for senators and members of the House of Representatives under paragraphs 14(4)(a), (b) and (c) of the PBR Act. The remuneration is in the form of one or more private plated vehicles, or an allowance in lieu, and reimbursement of the costs of internet and telephone services at private residences.

PART 4 – ALLOWANCES AND EXPENSES OF FORMER MEMBERS

19. Part 4 provides post retirement travel expenses and resettlement allowance for former members (within the meaning of the PBR Act) under section 15 of that Act.

PART 5 – RATES OF AUSTRALIAN TRAVEL ALLOWANCE FOR TRAVEL WITHIN AUSTRALIA

20. Part 5 specifies rates of travel allowance for travel within Australia, for the purposes of section 10 of the PBR Regulations and subsection 31(2) of the PBR Act. These rates apply to any member (see definition in the PBR Act, quoted in the note to clause 1.3). This term includes persons who in certain circumstances hold, or are taken to hold an office, but are not senators or members of the House of Representatives.

PART 6 – PRIVATE VEHICLE ALLOWANCE

21. Part 6 specifies the rate of private vehicle allowances for the purposes of sections 12, 27 and 28 of the PBR Regulations and subsection 31(2) of the PBR Act.

PART 7 – TRANSITIONAL PROVISIONS

22. Part 7 maintains the transitional provisions for private plated vehicles contained in Part 8 of *Remuneration Tribunal (Members of Parliament) Determination 2018*.

SCHEDULES

23. Schedule A sets out the rates of an office holder's salary (expressed as a percentage of base salary) for each Parliamentary office.

24. Schedule B sets out the rates of travel allowance.

Authority: Sections 45 and 46
Parliamentary Business Resources Act 2017