



Remuneration Tribunal

Explanatory Statement: Remuneration Tribunal (Members of Parliament) Amendment Determination (No. 1) 2023

1. The determination is made under sections 45 and 46 of 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.
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

Correction – Schedule B – Travel Allowance Rates

4. A number of localities were excluded from Schedule B of Remuneration Tribunal (Members of Parliament) Determination (No. 2) 2023, as a result of an administrative error. These localities are now included in the replacement table to that schedule. There was no consultation on this matter.

Review of Remuneration for Holders of Public Office

5. 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 these obligations, the Tribunal issued a determination on 8 June 2023, and at that time determined no adjustment to remuneration for all offices in its jurisdiction (including members of Parliament).
6. The Tribunal noted in its published statement of the same date, that it would meet again in August 2023 to consider further data, and determine whether any adjustment in remuneration is appropriate for offices within its jurisdiction.
7. In complying with its obligations the Tribunal takes the opportunity to consider whether any general increase to remuneration for offices might be warranted. In conducting this review 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.

8. On 14 September 2022, the Tribunal received a submission on this matter from a member of the public. The submission provided the view that the remuneration of federal parliamentarians is inadequate when compared with that received by Chief Executive Offices of ASX listed companies. The submission proposed new remuneration for senators, members and certain office holders, including the Prime Minister.
9. On 21 July 2023, the Tribunal received a submission on this matter from a member of the public. The submission provided the view that remuneration should be increased for all federal parliamentarians, particularly the Prime Minister.
10. On 28 August 2023 the Tribunal decided to determine a general adjustment of 4 per cent to remuneration for public offices in its jurisdiction.
11. For members of Parliament, this increase has effect from 1 September 2023. A statement setting out the Tribunal's reasons for decision is available at www.remtribunal.gov.au.
12. The base salary to be paid to a member of Parliament has been increased by 4 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 4 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.
13. Remuneration Tribunal (Members of Parliament) Amendment Determination (No. 1) 2023 formalises the Tribunal's decision for members of Parliament.
14. Consultation on this outcome was considered unnecessary given the matters considered by the Tribunal in making its decision.
15. The Tribunal's Reasons for Determination are available at www.remtribunal.gov.au.

Retrospectivity

16. 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.

Exemption from disallowance

17. Subsection 47(7) of the PBR Act provides that this determination is a legislative instrument, but section 42 (disallowance) of the *Legislation Act 2003* does not apply to it.
18. Exemption from disallowance is appropriate in the context of this instrument, as it amends the entitlements of Senators and Members of the House of Representatives.

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

19. 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:

Section 1 – Name

20. Section 1 specifies the name of the instrument.

Section 2 – Commencement

21. Section 2 specifies the commencement date of the instrument.

Section 3 – Authority

22. Section 3 specifies the authority for the instrument.

Section 4 – Schedules

23. Section 4 outlines the effect of instruments specified in a Schedule to the instrument.

SCHEDULE 1—AMENDMENTS

Part 1 – Amendments relating to travel allowance rates

Remuneration Tribunal (Members of Parliament) Determination (No. 2) 2023

24. Item 4 repeals Schedule B of Remuneration Tribunal (Members of Parliament) Determination (No. 2) 2023 which sets out Travel Allowance Rates, and substitutes a new Schedule B including previously omitted localities.

Part 2 – Other amendments

Remuneration Tribunal (Members of Parliament) Determination (No. 2) 2023

25. Item 2 increases the annual allowance payable to a senator or member of the House of Representatives for the purposes of section 48 of the Constitution (known as 'base salary') in clause 2.1 from \$217,060 to \$225,750.
26. Item 3 increases the portion of base salary that is not parliamentary allowance for the purposes of the *Parliamentary Contributory Superannuation Act 1948* in clause 2.2 from \$45,320 to \$47,140.
27. Item 4 updates the note to clause 2.3 to reflect the increase to base salary referred to in item 2.

Authority: Sections 45 and 46
Parliamentary Business Resources Act 2017