



## REMUNERATION TRIBUNAL

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### **Explanatory Statement: Determination 2016/16 Members of Parliament – Base Salary, Additional Salary for Parliamentary Office Holders, and Related Matters**

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1. The *Remuneration Tribunal Act 1973* (the Act) establishes the Remuneration Tribunal (the Tribunal) as an independent statutory authority responsible for reporting on and determining the remuneration, allowances and entitlements of key Commonwealth office holders. These include members of Parliament, Judges of Federal Courts, most full-time and part-time holders of public offices and Principal Executive Offices.
2. The Tribunal has inquired into the remuneration of Public Offices in its jurisdiction as it is empowered to do by the Act. Under sub-section 8(1) of the Act the Tribunal is required to issue a determination at an interval of no more than a year. This determination fulfils that obligation. The date of effect of this determination is 8 December 2016.
3. The determination makes no change to remuneration.

#### **Consultation**

4. Section 11 of the Act advises that in the performance of its functions the Tribunal:
  - may inform itself in such manner as it thinks fit;
  - may receive written or oral statements;
  - is not required to conduct any proceeding in a formal manner; and
  - is not bound by the rules of evidence.
5. The Tribunal has not undertaken any formal consultations in making this determination. Instead the Tribunal has taken 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 has drawn 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.

#### **Retrospectivity**

6. 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.

## **Details of the determination are as follows:**

### **PART 1 – GENERAL**

7. Part 1 sets out the authority for and date of effect of the Determination and revokes and supersedes previous Determination 2015/22. It also defines 'base salary' and explains the scope of references to a 'member' or 'member of parliament'.
8. The provisions in Part 1 are unchanged from those contained in Part 1 of the previous determination.

### **PART 2 – PARLIAMENTARY BASE SALARY**

9. Part 2 sets the base salary to be paid to a member of parliament and the portion of that salary that is not to be taken into account in defining parliamentary allowance (salary) for the purposes of the *Parliamentary Contributory Superannuation Act 1948* (PCS Act).
10. The provisions in Part 2 are unchanged from those contained in Part 2 of the previous determination.

### **PART 3 – ADDITIONAL SALARY FOR PARLIAMENTARY OFFICE HOLDERS**

11. Part 3 sets the additional salary to be paid to parliamentary office holders and the portion of that salary that is not to be taken as 'allowance by way of salary' for the purposes of the PCS Act.
12. It also specifies how authorities are to administer payment of the additional salary and limits the number of shadow ministers who may be paid in accordance with the determination.
13. The provisions in Part 3 are unchanged from those contained in Part 3 of the previous determination.

### **PART 4 – MINISTERS OF STATE**

14. Part 4 specifies the portion of additional salary of Ministers of State that will not count as allowance by way of salary for the purposes of the PCS Act.
15. The provisions in Part 4 are unchanged from those contained in Part 4 of the previous determination.

Authority: Subsections 7(1), 7(1A), 7(1B), 7(1C), 7(2), 7(2A), 7(4) and 7(5G)  
of the *Remuneration Tribunal Act 1973*