Parliamentary allowances, salaries of office and entitlements

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**Important note:** annual allowance data contained in the publication is correct as at October 2011. The annual allowance has increased to $185,000 from 15 March 2012.

An updated publication was published in July 2013 titled [Parliamentary remuneration and entitlements](#)

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Introduction

The issue of parliamentary salaries, allowances and entitlements generates public discussion and attracts media opinion. This background note provides relevant data, hyperlinks and documents on the remuneration of Australian federal parliamentarians.

Please note that this background note is not a discussion of the history and development of entitlements policy. Nor does it argue the merits or otherwise of the current arrangements or provide a complete list of current entitlements. The publication explains the legislative basis, fixing and linking mechanisms for salaries and allowances, and those entitlements that are reported such as travel and electorate allowances. Links to the administering agencies are included for those who wish to read further on these matters.

Members of Parliament receive an Annual Allowance, an Electorate Allowance and other entitlements including travel, retirement travel and superannuation. In addition Ministers and parliamentary Office-holders receive a Salary.

The Appendix gives Annual allowance, Electorate allowance, ministerial and office holder salaries since 1996.

Note on terminology

The terms used above to describe parliamentary entitlements are consistent with the terminology provided by sections 48 and 66 of the Constitution. Legislation enacted since 1901 has introduced alternative terms now in common usage. For example, the Annual allowance is often called Basic Salary and Salary is often called Additional Salary, Salary of Office or Ministerial Salary.

This background note will use the terms as described in the Constitution and, where necessary, provide alternative terminology to prevent confusion.

Benefits which are loosely grouped as Entitlements and include the electorate allowance will generally be referred to as entitlements in this publication.

Background

A legislative and policy history of this topic can be found in Remuneration of Members of the Parliament of Australia Research Paper No 30 1999–2000 by Margaret Healy and Geoff Winter. Use this Research Paper for historical information only as the Appendices are now out-of-date. The paper will not be revised.

Administration

Executive responsibility

The responsible Ministers, with selected administered legislation, are:

The Prime Minister, The Hon Julia Gillard MP

The Minister for Finance and Deregulation, Senator the Hon Penny Wong

The Special Minister of State, The Hon Gary Gray MP has specific responsibility for administering some allowances and benefits under this legislation.

Parliamentary departments

The Department of the Senate and the Department of the House of Representatives (Chamber Departments) pay the annual allowance to parliamentarians and salary to parliamentary office-holders. The Chamber Departments provide advice on, administer, and pay the electorate allowance and some benefits including postage.

Department of Finance and Deregulation

Ministerial and Parliamentary Services (M&PS) in the Department of Finance and Deregulation (Finance) provides advice on entitlements to the responsible Minister and to senators, members, office holders and their respective staff. Finance administers the provision of some benefits and pays ministerial salaries.

Annual allowance

The annual allowance for parliamentarians is $140,910 per annum from 1 July 2011.

Constitutional basis for payment

Section 48 of the Constitution provides for the payment of Members of Parliament:

48. Until the Parliament otherwise provides, each senator and each member of the House of Representatives shall receive an allowance of four hundred pounds a year, to be reckoned from the day on which he takes his seat.
Legislation and reports

Commonwealth legislation allows for payment of the annual allowance as described in the Constitution.

*Remuneration and Allowances Act 1990* as consolidated, sets out the annual allowance payable to senators and members of the House of Representatives for the purposes of Section 48 of the Constitution (Schedule 3.)

**Governor-General**

The *Remuneration and Allowances Act 1990* allows the Governor-General to make regulations (Sect 8A) necessary to allow the Act to be carried out.

The regulations currently in force are *Remuneration and Allowances Regulations 2005*. Regulations are registered on the [Federal Register of Legislative Instruments](https://fri.la).  

Schedule 3 subclause 1(3) of the Act says that before the Governor-General can make regulations, the Minister ‘must consider advice from the Remuneration Tribunal about the proposed regulation.’

**Remuneration Tribunal**

The *Remuneration Tribunal* is the independent statutory body which determines the annual allowance for senators and members. The *Remuneration Tribunal Act 1973* establishes the Remuneration Tribunal and defines its powers and functions. Sub-section 7(1) of the *Remuneration Tribunal Act 1973* says that:

> The Tribunal shall, from time to time as provided by this Part, inquire into, and determine, the allowances (including allowances in accordance with section 48 of the Constitution) to be paid out of the public moneys of the Commonwealth to members of the Parliament

The role of the Tribunal in setting parliamentary remuneration has changed recently from an advisory role to one of determining the annual allowance. For more details see the section below on the Review of Parliamentary Entitlements.

Since the *Legislative Instruments Act 2003* came into force on 1 January 2005, all Remuneration Tribunal determinations—as legislative instruments—must be registered on FRLI. The Attorney-General, rather than the portfolio minister, now has responsibility for tabling all legislative instruments in Parliament. Tabling must occur within six sitting days of registration. Schedule 4 of *Legislative Instruments Regulations 2004* provides that existing disallowance provisions in the *Remuneration Tribunal Act 1973* (subsections 7 (8) and (8A)) continue. These provisions remain in force ‘until the coming into force of the first determination that determines the annual allowance payable for the purposes of section 48 of the Constitution’. For further information see [Determinations](https://www.tribunal.gov.au/) at the Remuneration Tribunal website.
Setting the annual allowance

The Principle Executive Office (PEO) Classification—reference salary

The Remuneration and Allowances Act 1990, Schedule 3 Section 6 subclause 2, states that:

2) The Members of Parliament annual salary is equal to:
   (a) the minimum annual rate of salary payable to a Senior Executive Service (SES) employee with a classification of SES Band 2, or
   (b) if the regulations prescribe a percentage (not more than 100%) of a reference salary—that percentage of the reference salary.

In the Report on Senators and Members of Parliament, Ministers and Holders of Parliamentary Office - Salaries and Allowances for Expenses of Office: Report 1999/01, the Remuneration Tribunal recommended that the annual allowance of parliamentarians be linked to a 'reference salary' in a PEO Classification. The Government accepted this recommendation and Parliament passed Regulations under the Remuneration and Allowances Act 1990 to describe the link between the annual allowance and the reference salary in the PEO classification structure. The Remuneration Tribunal Act 1973 ss. 5(2A)(a) allows the Remuneration Tribunal to establish the PEO Classification structure by determination.

The relevant determination is Remuneration Tribunal Determination 2005/19 - Principal Executive Office - Classification Structure and Terms and Conditions. A list of Principal Executive Offices can be found on the Remuneration Tribunal's website.

Reference salary A—considerations and adjustments

It is useful to understand how adjustments are made to the Reference Salary and therefore to the annual allowance. The reference salary falls within Band A of the PEO Classification. The Remuneration Tribunal Act 1973, the Remuneration and Allowances Act 1990 and associated regulations do not require the Remuneration Tribunal to review the Principal Executive Office Classification on an annual basis. However, footnote 8 to Table A1 in Determination 2005/19 says:

The Total Remuneration range for each Band is normally adjusted from 1 July each year.

Under the Remuneration Tribunal Act 1973, and as indicated above, the Tribunal has wide scope to consider factors when reviewing the PEO Classification. The Statement on Principal Executive Office (PEO) Holders: [amending] Determination 2004/15 outlined some of the factors, including 'key economic indicators' and 'specific indicators such as the Wage Cost Index (WCI) series'. The WCI series is a product of the Australian Bureau of Statistics.

Report 1999/01 highlights some of the factors given consideration by the Tribunal during earlier deliberations. The Presidential Overview in the Tribunal's 2005-06 Annual Report discusses a range of factors that the Tribunal takes into account when conducting annual reviews of all Offices within its jurisdiction.
Pay freeze from 1 July 2008 and 'for each subsequent financial year'

On 18 February 2008 during Question Time, Prime Minister Rudd announced that the annual allowance would not be increased until the middle of 2009 as 'a modest exercise in wage restraint.' At the end of this period, there would be 'no clawback mechanism for any salary forgone between now and then.' At the time of the Prime Minister's announcement, parliamentarians received an annual allowance of $127,060.

On 26 May 2008, the government introduced the Remuneration and Allowances Amendment Regulations 2008 (No. 1) amending the Remuneration and Allowances Regulations 2005. From 1 July 2008, Regulation 5 no longer specifies 100 per cent of Reference Salary A (under the PEO classification in Determination 2005/19) for the purposes of the Remuneration and Allowances Act 1990. This means that when the Remuneration Tribunal determines an increase to Reference Salary A, Regulation 5 will reduce Reference Salary A by the percentage necessary to keep the annual allowance at the rate payable prior to 1 July 2008, that is, $127,060.

In its Statement on the 2008 Review of Remuneration for Holders of Public Office, the Remuneration Tribunal indicated that Reference Salary A would increase by 4.3 per cent from 1 July 2008. A new Reference Salary A of $132,530 was determined with the Tribunal's amending Determination 2008/10 — an increase of 4.3 per cent from 1 July 2008. Regulation 5 then effectively reduced Reference Salary A by the same percentage for the purposes of the annual allowance.

The Remuneration and Allowances Regulations 2005 state that the new arrangements apply from 1 July 2008 and for 'each subsequent financial year'. The Explanatory Statement to the Remuneration and Allowances Amendment Regulations 2008 (No. 1) makes it clear that the Government would freeze parliamentarians' pay for a period of 12 months, that is, for the 2008–09 financial year.

The practical means of achieving this purpose is best explained by the Remuneration Tribunal on its website:

The application of the Tribunal's annual adjustment increased Reference Salary A to $132,530, with effect from 1 July 2008. The effect of the amending regulation is that that parliamentary base salary will remain at $127,060 from that date for 2008/09. In future years, parliamentary salary will be equal to Reference Salary A, as determined by then Tribunal, less $5,470 (the difference between $127,060 and $132,530) per annum.

2009 Review of Remuneration for Holders of Public Office

On the 19 May 2009 the Remuneration Tribunal issued a statement announcing its decision to defer any change to the annual adjustment of the remuneration of holders of public office until after 30 September 2009.

In its statement on the 23 September 2009 the Tribunal announced its decision to increase the PEO classification structure's remuneration bands and reference salaries by 3 per cent from 1 October
2009. As a result Reference Salary A increases to $136,510. Therefore parliamentary base salary is equivalent to Reference Salary A less $5,470, that is $131,040. The Government indicated on the 23 September 2009 that it supported the annual base salary increase for Federal parliamentarians.

2010 Review of Remuneration for Holders of Public Office

On 24 August 2010 the Remuneration Tribunal announced in a statement its decision to increase the remuneration of public offices in its jurisdiction by 4.1% effective from 1 August 2010. **Determination 2010/14** Principal Executive Office (PEO) Classification Structure and Terms and Conditions sets Reference Salary A at $142,110. On the basis described above, that is Reference Salary A less $5,470, the parliamentary base salary increases to $136,640.

2011 Review of Remuneration for Holders of Public Office

In its statement on 22 June 2011 the Remuneration Tribunal announced its decision to increase the remuneration of public office holders in its jurisdiction by 3% from 1 July 2011. **Determination 2011/11** Principal Executive Office (PEO) Classification Structure and Terms and Conditions sets Reference Salary A at $146,380. Parliamentary base salary is equivalent to Reference Salary A less $5,470, that is $140,910.

The annual allowance for senators and members, Background Note 2011, provides further information for interested readers.

Annual allowance and the states and territories

Salary of state and territory parliamentarians

The basic salary of parliamentarians in South Australia is linked to the federal annual allowance. The basic salaries of New South Wales, Western Australia, the Northern Territory and the Australian Capital Territory parliamentarians are not linked to the annual allowance. During 2011-12 basic salary increases have been limited to 2.5% for Victorian and Queensland parliamentarians and 2% for Tasmanian parliamentarians.

The salaries of state and territory parliamentarians are summarised in the following table. All salaries are as at October 2011 unless described otherwise.

2011 salaries are advisory, please contact each jurisdiction to confirm.

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2. The term basic salary is used in legislation and determinations of all states and the territories but Queensland where the term annual salary is described by the governing legislation. Basic salary is used here for convenience, assisting the delineation between Commonwealth and States.
### Table 1: Salaries of State and Territory parliamentarians

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Linkage or Legislative Instrument</th>
<th>Legislation</th>
<th>Current Basic Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>Determined by the <a href="#">ACT Remuneration Tribunal</a> that issues Determinations and Statements. Statement and Determination 3 of 2011.</td>
<td><a href="#">Remuneration Tribunal Act 1995</a> (ACT)</td>
<td>$121 023 from 1 July 2011</td>
</tr>
<tr>
<td>New South Wales</td>
<td>Salaries will be determined by the Parliamentary Remuneration Tribunal up to the amount prescribed in the Government’s wages policy</td>
<td><a href="#">Parliamentary Remuneration Act 1989</a> (NSW) establishes the Parliamentary Remuneration Tribunal (which determines basic salary and additional parliamentary entitlements). The parliamentary, local council and public sector executives remuneration legislation amendment act 2011 breaks the nexus with the basic salary of federal MPs and ensures that NSW members’ salary is aligned with public sector wages.</td>
<td>$139 544 from 1 July 2011</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Aligned to the NT public sector salary increases</td>
<td>The <a href="#">Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act</a> (NT) describes the linkage and establishes the NT Remuneration Tribunal (which determines on additional entitlements and salaries of office).</td>
<td>$134 906</td>
</tr>
<tr>
<td>Queensland</td>
<td>Premier’s press release, 7 October 2011, states that ‘the Governor in Council has approved a 2.5% salary increase’</td>
<td><a href="#">Parliament of Queensland Act 2001</a> (QLD)</td>
<td>$137 149 as from 1 August 2011</td>
</tr>
<tr>
<td>South Australia</td>
<td>$2 000 less than annual allowance</td>
<td><a href="#">Parliamentary Remuneration Act 1990</a> (SA) describes the linkage with annual allowance and establishes the S.A. Remuneration Tribunal which determines on entitlements.</td>
<td>$138 910</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Premier’s press release, 20 June 2011, states that ‘legislation will cap salary increases for Tasmanian parliamentarians to 2% for 12 months’.</td>
<td><a href="#">Parliamentary Salaries, Superannuation and Allowances Act 1973</a> (Tas) (Or go to Tasmanian Legislation Online Browse page to browse for latest consolidation.)</td>
<td>$113 866 Calculated at 102% of $111 633. From 1 July 2011</td>
</tr>
</tbody>
</table>
### Parliamentary allowances, salaries of office and entitlements

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Linkage or Legislative Instrument</th>
<th>Legislation</th>
<th>Current Basic Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>The Act allows the Full Bench of the Tasmanian Industrial Commission to determine the percentage of the annual allowance that will apply. Determinations are published in the government gazette. The Act requires the Tasmanian Auditor-General to determine the dollar amount equivalent to this percentage not later than 14 July each year. This amount is published in the Tasmanian government gazette. The Auditor-general is to determine the amount under Parliamentary Salaries, Superannuation and Allowances Amendment Act 2011</td>
<td>$134 180 from 1 July 2011</td>
</tr>
<tr>
<td>Victoria</td>
<td>$5 733 less than annual allowance. Premier’s press release, 16 August 2011, promises to cap politicians pay increases to 2.5 per cent.</td>
<td>Parliamentary Salaries and Superannuation Act 1968 (Vic) describes the linkage with annual allowance. The Act also governs some benefits with remaining allowances and benefits described in regulation. An amendment to the Act in 2011 limited the increase to 2.5%</td>
<td>$134 180 from 1 July 2011</td>
</tr>
</tbody>
</table>

3. On 29 May 2004, it was reported that Victorian Premier Steve Bracks had decided not to accept the full increase to Victorian parliamentary salaries that would flow from the 3.9% increase to the federal annual allowance. The Premier indicated that the increase would be capped at 3% in line with the Victorian Government’s ‘strict public sector wages policy of no more than 3 per cent per year’. [Age 29 May 2004, p. 9]

The Parliamentary Salaries and Superannuation (Amendment) Act 2004 amended the Parliamentary Salaries and Superannuation Act 1968 so that the Victorian basic salary from 1 July 2004 was defined as $1 442 less (not $500 less) than the annual allowance—$1 442 less than $106 770. This enacted a basic salary for Victorian MPs of $105 328 per annum from 1 July 2004, an increase of 3%. This nexus remained for the 1 July 2005 and 1 July 2006 increases.

On 21 August 2007, the Victorian Parliament passed the Parliamentary Salaries and Superannuation Amendment Act 2007. The purpose of the Act was to ‘amend the Parliamentary Salaries and Superannuation Act 1968 to limit any increase in the salary payable to members of the Parliament of Victoria in the current financial year to 3.25%’ [Section 1 of amending Act]. Section 3 enacts a reduction to the annual allowance of $5 733 from 1 July 2007, rather than $1 442. Therefore the Victorian parliamentary basic salary from 1 July 2007 was $5 733 less than $127 060 i.e. $121 327 per annum. From 1 July 2008, the salary remains at $5 733 less than $127 060 i.e. $121 327.
Parliamentary allowances, salaries of office and entitlements

### Jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Linkage or Legislative Instrument</th>
<th>Legislation</th>
<th>Current Basic Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Australia</td>
<td>As determined by <a href="https://www.wa.gov.au">WA Salaries and Allowances Tribunal</a> and published in the government gazette, Determination - 10 August 2011</td>
<td><a href="https://www.wa.gov.au">Salaries and Allowances Act 1975</a> (WA) establishes the Tribunal which determines on parliamentary salaries, allowances and entitlements. Or go to <a href="https://www.wa.gov.au">WA Legislation</a> Acts in Force page to browse for latest consolidation.</td>
<td>$140,311 from 1 September 2011</td>
</tr>
</tbody>
</table>

### Salary

Section 66 of the Constitution provides the basis for the payment of salaries of ministers of state.

Section 7 of the [Remuneration and Allowances Act 1990](https://www.wa.gov.au) provides that Ministers of State and parliamentary office holders are to receive a salary in addition to their annual allowance. This is sometimes described as an 'additional salary.'

### Ministers of State

The Remuneration Tribunal is empowered, by ss. 6(1) of the [Remuneration Tribunal Act 1973](https://www.wa.gov.au), to report on salary for Ministers of State. However ministerial salary is ultimately a matter for executive government: while the Remuneration Tribunal reports on ministerial salary, Cabinet can vary ministerial salary if it so wishes.

Ministerial salary is expressed as a percentage of the annual allowance (basic parliamentary salary). The Tribunal's [Report Number 1 of 2011 Report on Ministers of State - Salaries Additional to the Basic Parliamentary Salary](https://www.wa.gov.au) confirms the percentage rates that currently apply.

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[Parliamentary Salaries and Superannuation Amendment Act 2009](https://www.wa.gov.au) limited the salary increase of Members to 2.5 per cent for the financial year beginning 1 July 2009.
Table 2: Selected Ministers of State percentage rates of annual allowance

<table>
<thead>
<tr>
<th>Ministers of State</th>
<th>Percentage of annual allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>160.0%</td>
</tr>
<tr>
<td>Deputy Prime Minister</td>
<td>105.0%</td>
</tr>
<tr>
<td>Treasurer</td>
<td>87.5%</td>
</tr>
<tr>
<td>Leader of the Government in the Senate</td>
<td>87.5%</td>
</tr>
<tr>
<td>Leader of the House</td>
<td>75.0%</td>
</tr>
<tr>
<td>Other Minister in Cabinet who is also Manager of Government Business in the Senate</td>
<td>75.0%</td>
</tr>
<tr>
<td>Other Ministers in Cabinet</td>
<td>72.5%</td>
</tr>
<tr>
<td>Other Minister who is also Manager of Government Business in the Senate</td>
<td>67.5%</td>
</tr>
<tr>
<td>Other Ministers</td>
<td>57.5%</td>
</tr>
<tr>
<td>Parliamentary Secretary who is also Manager of Government Business in the Senate</td>
<td>35.0%</td>
</tr>
<tr>
<td>Parliamentary Secretaries</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

Ministerial salaries have been calculated in the Appendix to this Background Note.

When acting Prime Minister, the Deputy Prime Minister is paid the same rate of salary per annum payable to the Prime Minister.

The Ministers of State Act 1952 sets the maximum number of ministers and Appropriates monies for payment of ministerial salaries. This Act was amended in 2000 to include Parliamentary Secretaries.

Parliamentary office holders

Sub-section 7(1) of the Remuneration Tribunal Act 1973 allows the Tribunal to determine a salary for parliamentary office holders. This sub-section prevails, to the extent of any inconsistency, over Schedule 4 of the Remuneration and Allowances Act 1990, Ministers and Office-holders of the Parliament.

Determination 2011/22 Parliamentary office holders–additional salary is the governing Remuneration Tribunal determination. Parliamentary office holders receive a salary that is also expressed as a percentage of the annual allowance.
Table 3: Selected parliamentary office holders salary percentages—effective 1 November 2010

<table>
<thead>
<tr>
<th>Parliamentary Office Holder</th>
<th>Percentage of annual allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>85.0%</td>
</tr>
<tr>
<td>President of the Senate</td>
<td>75.0%</td>
</tr>
<tr>
<td>Speaker of the House of Representatives</td>
<td>75.0%</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition</td>
<td>57.5%</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate</td>
<td>57.5%</td>
</tr>
<tr>
<td>Leader of a recognised party of more than 10 members of Parliament, other than a party whose Leader is the Prime Minister or the Leader of the Opposition</td>
<td>45.0%</td>
</tr>
</tbody>
</table>

The remaining offices and percentages can be found in Table 1 of Determination 2011/22 (the additional salary is to be rounded up to the nearest ten dollars)

Salary of Office—states and territories

Table four provides current salaries of office (mostly called additional salaries) for State Premiers and Territory Chief Ministers. Most additional salaries are given as a percentage of the state or territory basic salary. As described above, increases to some basic salaries occur through a legislative link to the federal annual allowance, while others are determined by the relevant state or territory remuneration tribunal.

The Total given is current as at October 2011. Total should not be taken as the entire remuneration of office holders as it does not include other allowances and benefits payable to each premier and chief minister.

2011 figures should be regarded as advisory, please contact the respective parliaments to confirm data.

Table 4: Salary of office of State Premiers and Territory Chief Ministers

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Additional salary of Premier/Chief Minister</th>
<th>Basic salary</th>
<th>Total salary—Basic plus additional salary for Premier or Chief Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>$133 125 110% of basic salary. Determined by ACT Remuneration Tribunal in Part B of Statement and Determination 3 of 2011</td>
<td>$121 023</td>
<td>$254 148</td>
</tr>
<tr>
<td>State/Territory</td>
<td>Additional salary of Premier/Chief Minister</td>
<td>Basic salary</td>
<td>Total salary—Basic plus additional salary for Premier or Chief Minister</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------</td>
<td>--------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>New South Wales</td>
<td>$132 567 95% of basic salary Schedule 1 of the <em>Parliamentary Remuneration Act 1989</em></td>
<td>$139 544</td>
<td>$272 111</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>$121 758  from 1 January 2009 Increase to additional salary determined by NT Remuneration Tribunal in <em>Determination No 1 of 2010</em> disallowed by NT Parliament on 1 December 2010</td>
<td>$134 906</td>
<td>$256 664</td>
</tr>
<tr>
<td>Queensland</td>
<td>$143 499 Additional salary increases by same percentage as percentage increases in basic salary. Linkage specified in s115 of the <em>Parliament of Queensland Act 2001</em>. See Schedule A of the <em>Members’ Entitlements Handbook</em></td>
<td>$137 149</td>
<td>$280 648</td>
</tr>
<tr>
<td>South Australia</td>
<td>$138 910 100% of basic salary Schedule of the <em>Parliamentary Remuneration Act 1990</em></td>
<td>$138 910</td>
<td>$277 820</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$130 946 115% of basic salary Schedule 1 Part 2 of the <em>Parliamentary Salaries, Superannuation and Allowances Act 1973</em></td>
<td>$113 866</td>
<td>$244 812</td>
</tr>
<tr>
<td>Victoria</td>
<td>$134 180 100% of basic salary Part 1 of the <em>Parliamentary Salaries and Superannuation Act 1968</em></td>
<td>$134 180</td>
<td>$268 360</td>
</tr>
<tr>
<td>Western Australia</td>
<td>$185 211 from 1 Sept 2011 132% of basic salary <em>Determination: Members of Parliament - 2011</em></td>
<td>$140 311</td>
<td>$325 522</td>
</tr>
</tbody>
</table>

**Electorate allowance**

An electorate allowance is determined by the Remuneration Tribunal by virtue of ss.7(1) and ss.7(4) of the *Remuneration Tribunal Act 1973* and Clause 2 of Schedule 3 of the *Remuneration and Allowances Act 1990*. It is ‘an expense of office allowance payable to Senators and Members to reimburse them for costs necessarily incurred in providing services to their constituents’ (Report...
Parliamentary allowances, salaries of office and entitlements

1999/01. The electorate allowance is treated as taxable income but is not regarded as salary for the purposes of the Parliamentary Contributory Superannuation Act 1948.

On 24 April 2009 the Remuneration Tribunal made a Statement announcing the decision to increase the basic allowance. Remuneration Tribunal Determination 2006/18 Members of Parliament Entitlements gives the annual rates.

Table 5: Electorate allowance from 1 May 2009

<table>
<thead>
<tr>
<th>Chamber</th>
<th>State or Territory/Electorate</th>
<th>Amount effective on and from 1 May 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senators</td>
<td>All States and Territories</td>
<td>$32,000</td>
</tr>
<tr>
<td>Members</td>
<td>Electorate of less than 2,000 sq km</td>
<td>$32,000</td>
</tr>
<tr>
<td>Members</td>
<td>Electorates of 2,000 to 4,999 sq km</td>
<td>$38,000</td>
</tr>
<tr>
<td>Members</td>
<td>Electorates of 5,000 sq km or more</td>
<td>$46,000</td>
</tr>
</tbody>
</table>

Additional electorate allowance of $19 500 per annum in lieu of private-plated vehicle

Clause 5 Determination 2006/18 entitles parliamentarians to a private-plated vehicle to be used for parliamentary, electorate or official business. Senators and members make a personal contribution to the cost of the vehicles as specified in guidelines issued by the Special Minister of State.

From 20 March 2006, senators and members who choose not to be provided with a vehicle 'will be entitled to an additional $19 500 per annum of electorate allowance in lieu of the private plated vehicle to meet the costs of transport within and for the service of the electorate,' see amending Determination 2006/02.

When calculating the total remuneration of an individual member, note that the rate of electorate allowance will vary depending upon the size of particular member's electorate and whether the senator or member has elected to take a private-plated vehicle.

Other entitlements

Parliamentary Entitlements Act 1990 entitles Members of Parliament to benefits listed in Schedule 1 Part 1 of the Act. The Act also allows benefits in the Schedule to be 'varied or omitted' by determination of the Remuneration Tribunal or by regulations pursuant to the Act. Where the regulations and determinations are inconsistent, the regulations prevail and the determination is void to the extent of the inconsistency.

Section 7 of the Remuneration Tribunal Act 1973 says that the Tribunal shall 'inquire into, and determine' benefits paid to MPs, Office-holders and Ministers.
Australian National Audit Office (ANAO) 2009 report on parliamentary entitlements

The ANAO tabled its audit of the Administration of parliamentarians’ entitlements by the Department of Finance and Deregulation on 8 September 2009. The overall conclusion was that the 'entitlements framework is difficult to understand and manage for both the Parliamentarians and Finance.' Shortcomings identified include:

- no consistent approach to specifying the purpose for which an entitlement may be used
- key meaning of terms not articulated
- no explicit statement that entitlements are not to be used for election campaigning purposes, and
- limited accountability mechanisms for entitlements use.

The Government's response, issued on the same day, accepted all of the Auditor-General's recommendations. The Special Minister of State announced that the government's reforms would be in two stages. The first stage, effective 1 October 2009, included:

- a further 25% cut to the current printing entitlement, from $100 000 to $75 000 per annum for Members and $16 667 to $12 500 for Senators (this is in addition to the 33% cut by the Rudd Government when elected to office)
- ending the use of printing entitlements for electioneering such as printing how to vote cards
- capping, for the first time, expenditure by MPs on office consumables such as toner and paper
- combining the current printing and communications allowance entitlements into a single entitlement
- establishing a rigorous vetting and checking system within the Department of Finance to ensure the material Members and Senators print is within entitlement
- reforming the current newspapers and periodicals allowance, and
- expanding the current reporting system to publish all expenditure of Senators, Members, former Parliamentarians, family members and employees, of entitlements administered by the Department of Finance and Deregulation.

Review of Parliamentary Entitlements

The second stage included the setting up of an independent panel to review the parliamentary entitlements scheme (Belcher Review). Under the terms of reference the review was to provide advice and recommendations to government addressing issues such as:
• developing a single principles-based legislative basis that authorises the provision of specified entitlements, identifies who is eligible to access these entitlements and in what circumstances, and the purposes for which these entitlements may be used

• recommending framework changes that remove instances of overlap, duplication, inconsistency and gaps in the provision of entitlements

• defining, in regulations and/or legislative instruments, key terms and the scope and any limits on entitlements use

• improving transparency in the use of taxpayer-funded parliamentary entitlements

• enabling accountability processes to be mandated, and

• recommending possible improvements to the protocol for handling allegations of misuse of entitlements.

A number of the submissions made to the review discussed the complexity of the entitlements framework and the difficulties this posed for the parliamentarians and for the departments administering the entitlements. The report was handed to the Special Minister of State on the 9 April 2010 and released on 24 March 2011.

The Belcher review has drawn a distinction between remuneration (salary) and ‘tools of trade’ (entitlements such as office facilities and transport) and recommends that each be dealt with separately. The former will be determined by the Remuneration Tribunal while the latter will be covered by a single piece of legislation to be administered by the Special Minister of State. Other key recommendations include that the Government:

• ask the Remuneration Tribunal to conduct a work value assessment of parliamentary remuneration and incorporate the electorate allowance and overseas study with the base salary

• abolish the Gold Pass and severance travel schemes for those entering parliament at or after the next election

• remove the use of the printing and communications allowance when an election is announced.

The Minister’s media release identifies reforms recommended by the Belcher review which have already been implemented by the Government. These include opposition staffing, amendments to the printing and communications entitlements and expanded reporting of MPs’ expenditure on entitlements.

On 24 March 2011 the Minister introduced the Remuneration and Other Legislation Amendment Bill 2011 into the Parliament. This legislation restores the power of the Remuneration Tribunal to determine parliamentary base salary and requires the Tribunal to publish reasons for its decisions on parliamentary remuneration. The legislation also removes the power of the Parliament to disallow parliamentary remuneration determinations made by the Tribunal. The Bill passed both Houses on 23 June 2011 and received assent on 25 July 2011.
Other ANAO reports

In 2001, by resolution of the Senate, the ANAO undertook a performance audit on parliamentary benefits, called *entitlements* by the Auditor-General, [Audit Report No 5 2001-2002 Parliamentarians' Entitlements: 1999-2000](#). In a press release of 27 September 2001, the government responded to the ANAO Report with an announcement of changes to some print and travel arrangements.

The ANAO undertook a performance audit of the administration of payments under the *Members of Parliament (Staff) Act 1984* by the administering agency Finance. [Audit Report No. 15 2003-04](#) was tabled on 1 December 2003 and contained 13 recommendations relating to: personnel administration; authorisations and certifications; the control framework for payments; and payments and services provided to MOP(S) Act staff during election periods. Finance has accepted these recommendations.

Reporting of entitlements

From the July to December 2009 reporting period, the Department of Finance and Deregulation reports on Parliamentarians’ entitlements have been available online. Expenditure on the following entitlements for Senators, Members and certain former Parliamentarians are now included in the reports:

- office administrative costs, including:
  - office consumables and services
  - printing and communications
  - publications
- office facilities costs
- travel allowances and travel expenses for both domestic and overseas travel, including family travel costs (previously available), and
- overseas study travel reports from Senators and Members (previously available)

The following reports are tabled biannually and are available on the Finance website:

- [Parliamentarians' Expenditure on Entitlements paid by the Department of Finance and Deregulation](#)
- [Former Parliamentarians' Expenditure on Entitlements paid by the Department of Finance and Deregulation](#)
- [Parliamentarians' Overseas Study Travel Reports](#)

An annual report covering ministerial and parliamentary staffing, employed under the *Members of Parliament (Staff) Act 1984*, was introduced in December 2008.
Travel

Schedule 1 Part 1 of the Parliamentary Entitlements Act 1990 allows certain travel and accommodation to be reimbursed if it is related to 'parliamentary or electorate business.'

The Remuneration Tribunal determines travel expenditure pursuant to ss.7(1) and ss.7(2) of the Remuneration Tribunal Act 1973. The Tribunal refers to a travel allowance rather than benefit or reimbursement and so the first term will be used to avoid confusion.

Determination 2011/16 Members of Parliament—Travelling Allowance specifies the amount payable to Members of Parliament, Office-holders and Ministers, for accommodation during periods of stay away from a home base that is nominated to the Special Minister of State. The conditions of payment and for what purpose travel at government expense can be used, are specified in the Determination. Current travel allowance rates are listed in Part 1 of the Determination.

Determination 2006/18 Members of Parliament Entitlements describes the type of transport and fares allowable.

Reporting of travel entitlements

Previously travel benefit payments for the following categories were tabled in Parliament every six month. From the July to December 2009 period they have been superseded by the reports described above:

- Department of Finance and Deregulation, Parliamentarians’ Travel paid by the Department of Finance and Deregulation; Former Parliamentarians’ Travel paid by the Department of Finance and Deregulation; Parliamentarians’ Overseas Study Travel reports (these reports are available online)
- Department of the Prime Minister and Cabinet, Expenditure on Travel by Former Governors-General and
- Department of Defence, Schedule of Special Purpose Flights.

Overseas travel entitlements

There are four categories of entitlements to overseas travel for Senators, Members and certain Office holders:

1. Travel as a member of a Parliamentary Delegation, within a program approved for each calendar year by the Prime Minister.

Delegation travel can be undertaken by authority of Schedule 1 of the Parliamentary Entitlements Act 1990. The benefit is also described in regulations pursuant to the Act. The benefit allows the parliamentarian's class of travel to be downgraded to offset the cost of the fare of an accompanying spouse [Schedule 1 Part 1 Item 9 (2)].
2. Travel overseas for the purpose of undertaking studies and investigations of matters related to their duties and responsibilities as a member of parliament.

This benefit is determined by the Remuneration Tribunal in Clause 9 of Determination 2006/18. A parliamentarian becomes eligible when they have completed three years service in parliament. The benefit is limited to one overseas study trip per parliament for the parliamentarian and their spouse and is 'for travel outside the Commonwealth of Australia for the purpose of undertaking studies and investigations of matters related to their duties and responsibilities as a Member of Parliament'. Spouses can now 'join' or 'accompany' parliamentarians travelling overseas for study. Expenditure is capped at the equivalent cost of one first-class around-the-world airfare for a parliamentarian and spouse in the life of each Parliament. The benefit also allows reimbursement of accommodation and subsistence living costs actually incurred. Certain other costs are reimbursed, including departure tax, health and baggage insurance and passport fees. A report on the overseas study trip shall be lodged with the Special Minister of State within 30 days of return.

3. Representational overseas travel for parliamentarians who, with the approval of the Prime Minister, are representing Australia, a Minister, or the Government overseas.

The benefit is described by the Parliamentary Entitlements Regulations 1997 as amended, pursuant to the Parliamentary Entitlements Act 1990. The benefit is: the cost of travel overseas at the same standard that would apply to a Minister travelling on official business; and the cost of travel overseas by the Members spouse when accompanying the Member, if the Prime Minister approves; the cost of official hospitality, under the same arrangements that apply to a Minister if the Special Minister of State approves. Certain other costs are reimbursed including vaccinations and medical supplies essential to travel. The use of special purpose aircraft is permitted as approved by Prime Minister. [Statutory Rule no 149 of 2003].

4. Travel overseas on official business for Ministers as approved by the Prime Minister. Travel overseas on official business for the Leader or Deputy Leader of the Opposition in the House of Representatives, or a Presiding Officer. The entitlement is extended, with the approval of the Prime Minister, to a parliamentarian representing these office-holders. Overseas travel on official business is taken under authority of the Schedule 1 of the Parliamentary Entitlements Act 1990.

Entitlements available to former parliamentarians

Parliamentary superannuation, retirement travel and a resettlement allowance are the entitlements available to former parliamentarians. Retirement travel consists of the Life Gold Pass and Severance Travel.

Life Gold Pass

Qualifying period for the Life Gold Pass is determined by the Remuneration Tribunal in Determination 2006/18 Clause 7.

Severance travel is available for those parliamentarians ineligible for the Life Gold Pass. It allows parliamentarians who do not qualify for a Life Gold Pass to travel domestically at government expense for a limited time. Severance travel, for ‘non-commercial’ purposes only, provides for between 12-25 return trips per annum for up to five years, depending upon length of service.

The Remuneration Tribunal determines both the benefit and qualifying period for Severance travel in Determination 2006/18 Clauses 8.1 - 8.5.

For a fuller description refer to Background Note, Retirement travel.

**Resettlement allowance**

The resettlement allowance is determined by the Remuneration Tribunal in Determination 2006/18 Clauses 8.6 - 8.10.

Eligible Senators and Members are those:

(a) first elected before 9 October 2004 and whose retiring allowance under the Parliamentary Contributory Superannuation Act 1948 is subject to deferral under the Act when he or she ceases to be a member of the Parliament,

(b) first elected on or after 9 October 2004, who declare in writing to the Clerk of the relevant House of Parliament the intention to seek employment after leaving Parliament, and

(c) who have retired involuntarily through:

(i) electing not to stand for re-election following loss of party endorsement, for reasons other than misconduct

(ii) defeat at an election (including defeat at an election where he or she has campaigned to be elected to represent a different electoral division or to the other House of Parliament).

The Resettlement Allowance payable to eligible former parliamentarians is equal to three months of the annual allowance on the date Parliament is prorogued before the election.

If a senator or Member qualifies for a Resettlement Allowance he or she will be paid an Additional Allowance of a further three months of the base parliamentary salary if he or she is:

(a) a senator who has served more than three full years in the Parliament, or

(b) a senator for a territory or a member who has served more than one full term in the Parliament.
Please note: the annual allowance is referred to as the 'basic parliamentary salary' in Determination 2006/18.

**Parliamentary superannuation**

Senators and Members elected at the general election held 9 October 2004 are eligible for benefits under the *Parliamentary Superannuation Act 2004*. Parliamentarians serving in Parliament prior to the 2004 general election are, and will remain, eligible for entitlements under the *Parliamentary Contributory Superannuation Act 1948* (the principal Act). This Act established the Parliamentary Retiring Allowances Trust and the Parliamentary Superannuation Contributory Scheme (the Scheme). Finance administers the Scheme under the direction of the Trust. A history of the principal Act can be read in the e-brief entitled *The Parliamentary Retiring Allowances Act 1948: Debates, Committee Reports, Remuneration Tribunal Reviews and a Chronology of Legislative Amendments*.

The *Parliamentary Superannuation Handbook*, published by Finance, outlines the Scheme's operation.

For further discussion of the schemes refer to a companion Background Note, *Superannuation benefits for senators and members*.

**Appendix**

*Annual allowance, electorate allowance and salaries of Members and Senators, Office-holders of the Parliament and Ministers 1996-2011*: worksheet of the annual allowance, additional salaries and electorate allowance calculated for each office.