

## **FACT SHEET**

### **PARLIAMENTARY SALARIES, SUPERANNUATION AND ALLOWANCES AMENDMENT BILL 2011**

The Bill limits the salary increase that is due to Tasmanian Members of Parliament (MPs) from 1 July this year.

The *Parliamentary Salaries, Superannuation and Allowances Act 1973* (the Act) establishes the process for the setting of salaries, allowances and benefits for Tasmanian MPs.

In 1996, the Full Bench of the Tasmanian Industrial Commission was empowered to undertake the determination of:

- an appropriate basic salary for Tasmanian MPs; and
- additional salary entitlements for specified office holders (such as the Premier, Ministers, Leader of the Opposition etc).

The determination of the basic salary by the Commission was made in May 1997 and was accepted in full by the Parliament. It was implemented from 30 June 1996.

The determination was that the basic salary of a Tasmanian MP is to be 85.19% of the basic salary of a Member of the Commonwealth House of Representatives (MHR).

The Act also provides for the Auditor-General to be responsible for determining, by 14 July of each year, the salary rate that is the equivalent to this percentage.

The determined salary is 85.19% of the basic salary of a Commonwealth MHR as at the preceding 30 June and applies from 1 July. This means there is a time lag between the date an increase is paid to Commonwealth MHRs and when it flows to Tasmanian MPs.

In August 2010 the salary of a Commonwealth MHR was increased by 4.2% to \$136,640 pa.

Without any intervention, this increase would flow on to Tasmanian MPs from 1 July 2011, raising the base salary of a Tasmanian MP from \$111,633 pa to \$116,404 pa.

The *Parliamentary Salaries, Superannuation and Allowances Amendment Bill 2011* amends the Act to require the Auditor-General to determine the salary of Tasmanian MPs from 1 July 2011 to be 102 per cent of the salary that applied from 1 July 2010.

This increase is in line with the wages policy announced by the Government for State Servants as part of the 2011-12 Budget.

The amendment means that from 1 July 2011 the base salary of a Tasmanian MP will increase from \$111,633 pa to \$113,866 pa, rather than \$116,404 pa.