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Background Note

Parliamentary allowances, salaries of office and entitlements

Online Only. First published as: Ebrief 2001-02 and Background Note 1 July 2007. **This edition issued 1 July 2009- updated 1 September 2009, 1 October 2009.**

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Important note - annual allowance data contained in the e-brief is correct as at 1 October 2009.

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.

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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.⁽¹⁾ 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.

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Administration

Executive responsibility

The responsible Ministers, with selected administered legislation, are:

The Prime Minister, [The Hon Kevin Rudd MP](#)
Governor-General Act 1974

The Minister for Finance and Deregulation, [The Hon Lindsay Tanner MP](#)
Parliamentary Allowances Act 1952, Parliamentary Superannuation Act 2004, Parliamentary Contributory Superannuation Act 1948, Parliamentary Entitlements Act 1990, Ministers of State Act 1952, Members of Parliament (Life Gold Pass) Act 2002, Members of Parliament (Staff) Act 1984.

The Special Minister of State, [Senator the Hon Joe Ludwig](#), has specific responsibility for administering some allowances and benefits under this legislation.

Minister for Education, Employment and Workplace Relations, [The Hon Julia Gillard MP](#)
Remuneration and Allowance Act 1990, Remuneration Tribunal Act 1973

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 **\$131 040** per annum from 1 October 2009.

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](#) (FRLI).

[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 has an advisory role on an annual allowance for senators and members. The [Remuneration Tribunal Act 1973](#) establishes the Remuneration Tribunal and defines its powers and functions. Sub-section [5\(2C\)](#) of the *Remuneration Tribunal Act 1973*

says that

"an additional function of the Tribunal is to provide advice for the purposes of subclause 1(3) of Schedule 3 of the Remuneration Act 1990."

The Tribunal therefore reports regularly on parliamentarians' annual allowance to the Minister for Employment and Workplace Relations. See [Report on Senators and Members of Parliament, Ministers and Holders of Parliamentary Office - Salaries and Allowances for Expenses of Office: Report 1999/01](#) dated 7 December 1999 for a comprehensive coverage of relevant issues.

The Report states that:

"the Tribunal has a formal role in advising the Minister... on an appropriate base salary for Senators and Members of the Federal Parliament. The Tribunal cannot issue a determination on this matter it can only provide advice, as it does on the additional salaries payable to Ministers. The Government can choose to accept or reject the Tribunal's advice on these matters and must undertake the necessary action to bring the Tribunal's recommendations into force."

This restates [Section 5\(2C\)](#) of the *Remuneration Tribunal Act 1973*. That is, the legislative power of the Remuneration Tribunal is *only* an advisory power with regard to the annual allowance. After the relevant determinations are tabled, Parliament may resolve to disapprove (disallow) the determinations.

Minister for Education, Employment and Workplace Relations

The Remuneration Tribunal reports on the annual allowance to the Minister for Education, Employment and Workplace Relations. 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 days of registration. Schedule 4 of [Legislative Instruments Regulations 2004](#) provides that existing disallowance provisions in the *Remuneration Tribunal Act 1973* continue. This means that Parliament may pass a resolution 'disapproving' of the determination within 15 sitting days after the determination has been tabled. For further information see [Determinations](#) 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 an 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 will 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 \$5470 (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 \$5470, that is \$131 040. The [Government](#) indicated on the 23 September 2009 that it supported the annual base salary increase for Federal parliamentarians.

[The annual allowance for senators and members](#), Background Note 2008, 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 Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory are linked to the federal annual allowance. ⁽²⁾ (Note changes in Victoria see note 3.) The basic salaries of Western Australian and the Australian Capital Territory parliamentarians are not linked to the annual allowance.

The salaries of state and territory parliamentarians are summarised in the following table. All salaries are as

at 1 October 2009 unless described otherwise.

2009 salaries are advisory, please contact each jurisdiction to confirm.

Table 1: Salaries of State and Territory parliamentarians

Jurisdiction	Linkage or Legislative Instrument	Legislation	Current Basic Salary
Australian Capital Territory	Determined by the ACT Remuneration Tribunal that issues <i>Determinations and Statements. Statement and Determination 3 of 2009.</i>	Remuneration Tribunal Act 1995 (ACT)	\$114 354
New South Wales	\$500 less than the annual allowance	Parliamentary Remuneration Act 1989 (NSW) describes the linkage with annual allowance and established the Parliamentary Remuneration Tribunal (which determines on additional parliamentary entitlements).	\$130 540
Northern Territory	\$3 000 less than annual allowance	The Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act 2006 (NT) describes the linkage with annual allowance and establishes the NT Remuneration Tribunal (which determines on additional entitlements and salaries of office).	\$128 040
Queensland	\$500 less than annual allowance	Parliament of Queensland Act 2001 (QLD) describes the linkage with annual allowance. See also the Queensland Members' Entitlements Handbook	\$130 540
South Australia	\$2 000 less than annual allowance	Parliamentary Remuneration Act 1990 (SA) describes the linkage with annual allowance and establishes the S.A. Remuneration Tribunal which determines on entitlements.	\$129 040
Tasmania	85.19% of annual allowance. Note that, in practice, Tasmanian basic salaries are determined on the annual allowance as at 30 June in the preceding year.	Parliamentary Salaries, Superannuation and Allowances Act 1973 (Tas) (Or go to Tasmanian Legislation Online Browse page to browse for latest consolidation.) 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 (currently 85.19%) not later than 14 July each year. This amount is published in the Tasmanian government gazette.	\$108 242 Calculated at 85.19% of \$127 060. Gazetted 8 July 2009
(3) Victoria	\$5 733 less than annual allowance	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.	\$124 360
Western Australia	As determined by WA Salaries and Allowances Tribunal and published in the government gazette. Determination- 14 August 2009	Salaries and Allowances Act 1975 (WA) establishes the Tribunal which determines on parliamentary salaries, allowances and entitlements. Or go to WA Legislation Acts in Force page to browse for latest consolidation.	\$128 980 from 1 September 2009

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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](#) 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](#), 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 2008 Report on Ministers of State - Salaries Additional to the Basic Parliamentary Salary](#) confirms the percentage rates that currently apply.

Table 2: Selected Ministers of State percentage rates of annual allowance

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

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 Allowances Act 1990](#), [Ministers and Office-holders of the Parliament](#).

[Determination 2008/19 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

Parliamentary Office Holder	Percentage of annual allowance
Leader of the Opposition	85.0%
President of the Senate	75.0%
Speaker of the House of Representatives	75.0%
Deputy Leader of the Opposition	57.5%
Leader of the Opposition in the Senate	57.5%
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	45.0%

The remaining offices and percentages can be found in Table 1 of [Determination 2008/19](#).

Salary of Office—states and territories

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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 1 October 2009. *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.

2009 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

State/Territory	Additional salary of Premier/ Chief Minister	Basic salary	Total salary— Basic <i>plus</i> additional salary for Premier or Chief Minister
Australian Capital Territory	\$125 789 110% of basic salary. Determined by ACT Remuneration Tribunal in Part B of Statement and Determination 3 of 2009	\$114 354	\$240 143
New South Wales	\$124 013 95% of basic salary Schedule 1 of the Parliamentary Remuneration Act 1989	\$130 540	\$254 553
Northern Territory	\$118 788 from 1 January 2009 Additional salary determined by NT Remuneration Tribunal in Determination No 1 of 2008	\$128 040	\$246 828
Queensland	\$134 456 Additional salary increases by same percentage as percentage increases in basic salary. Linkage specified in s115 of the Parliament of Queensland Act 2001 . See Schedule A of the Members' Entitlements Handbook	\$130 540	\$264 996
South Australia	\$129 040 100% of basic salary Schedule of the Parliamentary Remuneration Act 1990	\$129 040	\$258 080
Tasmania	\$124 478 115% of basic salary Schedule 1 Part 2 of the Parliamentary Salaries, Superannuation and Allowances Act 1973	\$108 242	\$232 720
Victoria	\$124 360 100% of basic salary Part 1 of the Parliamentary Salaries and Superannuation Act 1968	\$124 360	\$248 720

Western Australia	\$170 254 from 1 Sept 2009 132% of basic salary Determination: Members of Parliament - 2009	\$128 980 from 1 Sep 2009	\$299 234 from 1 Sep 2009
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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 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

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

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.

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Other Entitlements

Australian National Audit Office reports on parliamentary entitlements

2009 audit

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 Governments [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, includes:

- 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.

The second stage includes the setting up of an independent panel to review the parliamentary entitlements scheme. The [terms of reference](#) for the review indicate that 'the review should have regard to... remuneration and allowances'. The panel is due to report in six months.

2001 audit

In 2001, by resolution of the Senate, the Australian National Audit Office (ANAO) undertook a performance audit on parliamentary benefits, called *entitlements* by the Auditor-General. [Audit Report No 5 2001-2002 Parliamentarians' Entitlements: 1999-2000](#), (click [here](#) for those outside Parliament House), provides an overview of the history of, and administrative and legislative framework surrounding, the provision of parliamentary benefits. A comprehensive discussion of benefits is beyond the scope of this Background Note. It is recommended that the reader consult [Audit Report No 5 2001-2002](#).

The Auditor-General described the framework of benefits as "a complex mixture of capped and uncapped entitlements" and made 28 recommendations to the Presiding Officers to "improve the administration of Parliamentarians' various entitlements."

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.

2003 audit = Parliamentary staff

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.

Overview of 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.

Reporting of entitlements

On 16 May 2002, in an [answer](#) to a Question on Notice, the Special Minister of State advised that the expenditure on the following entitlements are not publicly reported:

- information delivery services
- office and residential telephone services
- personalised letterhead stationery
- newsletters and other approved printed material for distribution to constituents

- office accommodation and supplies
- photographic services
- staff
- spouse/nominee and dependent travel
- spouse travel of a Life Gold Pass Holder and
- the Constituents Request Program.

Since this answer in 2002 there has been a change to the reporting on staff of parliamentarians. An [annual report](#) covering ministerial and parliamentary staffing, employed under the *Members of Parliament (Staff) Act 1984*, was introduced in December 2008. The Report provides data on:

- MoPS staff home bases, staff numbers, salary ranges, allowances ranges, and personal classifications
- payroll, travel and support costs
- information on professional development, training, occupational health and safety, fraud prevention and control, and unfair dismissal
- the code of conduct for ministerial staff, and
- Determinations made under the MoPS Act over the period 2007–08.

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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 2009/11 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

Travel benefit payments for the following categories are tabled in Parliament every six months:

• [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.*

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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*.

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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

The Life Gold Pass benefit is outlined in the provisions of the [Members of Parliament \(Life Gold Pass\) Act 2002](#). The Life Gold Pass entitles eligible former parliamentarians to travel within Australia for "non-commercial" purposes at government expense.

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 - 8.8.

Eligible Senators and Members are those who have:

- (a) have joined the Parliament at or since the November 2001 election; and
- (b) are not able to access a pension or superannuation benefit (related to their service in the Parliament) immediately upon ceasing to be a Member of the Parliament; and
- (c) 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 12 weeks of the annual allowance on the date Parliament is prorogued before the election. The annual allowance is referred to as the "basic parliamentary salary" in [Determination 2006/18](#).

For further information, please refer to the [2007](#) section in the Background Note, *The Parliamentary Retiring Allowances Act 1948: Debates, Committee Reports, Remuneration Tribunal Reviews and a Chronology of Legislative Amendments*.

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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](#).

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Appendix

[Annual allowance, electorate allowance and salaries of Members and Senators, Office-holders of the Parliament and Ministers 1996-2009](#): worksheet of the annual allowance, additional salaries and electorate allowance calculated for each office.

Endnote

(1) D. Meagher, [Section 48 of the Constitution of Australia](#), in E Law, vol 6 no 2, June 1999.

(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.

(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 Salaries and Superannuation Amendment Act 2009](#) limited the salary increase of Members to 2.5 per cent for the financial year beginning 1 July 2009.

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