Purpose

To increase the salaries of Senators and Members of the House of Representatives; to increase the salaries and allowance of Office Holders of Parliament, Judges and Members of the Inter-State and Grants Commissions and to provide for future amendment to Ministers' salaries to be made by regulation.

Background

The Remuneration Tribunal Act 1973 requires the Remuneration Tribunal (the Tribunal) to make reports and determinations of the remuneration, allowances and entitlements of Parliamentarians, Judges and certain other public office holders. In its 1986 Review, the Tribunal noted that since 1984 the salary level of Ministers, Senators and Members of the House of Representatives has been approximately 11.7% less than what it could otherwise have been. This anomaly arose because of the desire of the Government that members set "a persuasive example for the community in wage restraint"[1] at the time when the Wage Principles were to take effect.

In its submission to the 1986 Review, the Government again recognised that an anomaly exists in relation to the salary of Members of Parliament and advanced the view that "this anomaly should not persist indefinitely". The Government's submission to the Tribunal stated "that it would not be appropriate to increase the salaries of Parliamentarians at this time but it reserves the right to make a submission at a later date".[2]
The Tribunal, however, concluded that the 11.7% of base salary foregone by Members and Senators should now be restored. The Tribunal based its decision on the need to comply with its statutory obligations and fairness and equity.[3] The Tribunal also recommended that expense allowances be increased by 9.2%, the movement in the Consumer Price Index in the 12 months to the end of March 1986.

On 1 July the Government announced that it would overrule the Tribunal's recommendations and that salary increases would be restricted to the amount of the National Wage Case increase.

In the Explanatory Memorandum for this Bill, it is estimated that the measures to be implemented by this Bill will save an estimated $1.3 million in 1986-87 for salaries and $650 000 in Parliamentary superannuation costs.

Outline

This Bill will amend:

Determinations Nos 7 and 8 of 1986 of the Remuneration Tribunal; the

Judicial and Statutory Officers (Remuneration and Allowances) Act 1984 and the

Ministers of State Act 1952.

Main Provisions

Amendments to the Remuneration Tribunal's 1986 Determinations

Clause 3 will amend Determination No. 7 of 1986 of the Remuneration Tribunal dated 6 June 1986 by increasing salaries to be paid to Office Holders of Parliament by 2.3% instead of 11.7% as in the Determination. Expense allowances will increase by 9.2%.

Similarly the basic salary of Senators and Members of the House of Representatives will be increased to $45 543 instead of the $49 727 determined by the Tribunal (clause 4 which will amend Determination No. 8 of 1986 of the Remuneration Tribunal dated 6 June 1986).
Amendments to the Judicial and Statutory Officers (Remuneration and Allowances) Act 1984 (the Principal Act).

The salaries of the Justices of the High Court, Judges of other Courts of Federal jurisdiction, the President of the Inter-State Commission and the Chairman of the Commonwealth Grants Commission will be increased by 2.9% (clause 6 which will amend sub-section 3(1)(a) of the Principal Act). The same Officers will receive a 9.2% increase in their expense allowances (clause 6 which will amend sub-section 3(1)(a) of the Principal Act).

The expense allowance granted to the Chief Judge of the Supreme Court of Norfolk Island will also be increased by 9.2% (clause 6 which will amend sub-sections 3(5) and (6) of the Principal Act).

The members of the Inter-State Commission will receive an increase in their expense allowances of 9.2% (clause 6 which will amend sub-section 3(8) of the Principal Act).

Travelling allowances to High Court Justices will be increased by $10 and $5 for overnight stays in capital cities and other overnight stays to $165 and $115 respectively (clause 7 which will amend sub-section 4(4)(a)(i)(A) and (B) of the Principal Act). Other judges of Courts of Federal jurisdiction and the President of the Inter-State Commission will receive a $5 increase in their allowances for overnight stays (clause 9 which will amend sub-section 6(4)(a)(i)(A) and (B)). Other members of the Inter-State Commission will receive $5 increases in their various travelling allowances or for overnight stays (clause 10 which will amend sub-section 6A(2) of the Principal Act).

The allowance to High Court judges who do not live in the ACT will be increased from $10,640 to $11,715 (clause 8 which will amend sub-section 5(1) of the Principal Act).

The allowance payable to the Solicitor-General who is not a resident of the ACT will be determined by the Remuneration Tribunal and, if a determination is not made, the allowance will be $11,715 (clause 11 which will amend section 7 of the Principal Act).
Amendments to the Ministers of State Act 1952

The Ministers of State Act (the Principal Act) will be amended so that in future amendments to Ministerial salaries may be made by way of regulation as opposed to amendment to the Principal Act. Clause 15 will add a new section 7 to the Principal Act which will allow the Governor-General to make such regulations.

Miscellaneous Amendments

Sub-section 7(8) of the Remuneration Tribunals Act 1973 provides that determinations of the Remuneration Tribunal will apply notwithstanding any law. Clause 16 excludes the operation of this sub-section with respect to this Bill.

The Bill will be deemed to have come into operation on 1 July 1986 (clause 2). Because of the retrospective nature of the Bill, where Parliamentarians have received more than they are entitled to receive under this Bill, the over-payment must be paid back to the Commonwealth (clause 17).

For further information, if required, contact the Law and Government Group.

25 September 1986

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References

3. Ibid.