

Discussion Paper Remuneration of members and former members of the Queensland Legislative Assembly

Section 1: What is the Tribunal and what is its role?

Who are the Tribunal members

On 16 July 2013, the Premier administratively established the Queensland Independent Remuneration Tribunal (Tribunal) and appointed Professor Tim Brailsford (Chairman), Mr David Harrison and Ms Joanne Jessop as the Tribunal's inaugural members.

The Queensland Parliament has since passed the *Queensland Independent Remuneration Tribunal Act 2013* (the Act). The Act commenced operation on 9 August 2013, formally establishing the Tribunal as an independent statutory authority.

The Tribunal's work

The Tribunal will review and make legally binding determinations about remuneration in connection with members and former members of the Queensland Legislative Assembly (MPs). In accordance with the Act, remuneration refers to salary, allowances and entitlements. Tribunal decisions cannot be challenged or appealed.

The Act requires that the Tribunal act independently, impartially and fairly in reviewing MP remuneration.

The Tribunal will make its first determination by 15 October 2013.

Tribunal determinations will be tabled in the Queensland Parliament and will also be made publicly available on the Tribunal's website at www.remunerationtribunal.qld.gov.au.

Principles the Tribunal may consider

The Act provides general principles that the Tribunal may consider when making a determination.

These principles are:

- the value to the community of an MP carrying out the MP's role, functions and responsibilities;

- the importance of an MP being appropriately remunerated for carrying out the MP's role, functions and responsibilities;
- relevant laws applying to MPs (e.g. the *Parliament of Queensland Act 2001*); and
- other matters the Tribunal considers appropriate (e.g. the size of an MP's electorate).

Section 2: What is the Tribunal looking at?

Remuneration MPs currently receive

Currently, an MP receives a base salary plus a range of other remuneration (allowances and entitlements, additional salary for specific roles). Some of the allowances and entitlements are variable and depend on factors such as the size of the electorate, and its distance from Brisbane.

The remuneration system for an MP is complex. In summary, as at 30 June 2013, an MP's total remuneration package is made up of:

- an annual base salary of \$137,149; plus
- an "Allowance to Members" (also known as an Electorate Allowance) ranging from \$39,263 to \$77,922 per year depending on the size of their electorate; plus
- a "Miscellaneous Allowance" of \$32,355 per year; plus
- a range of Travel Allowances and other minor entitlements, such as home telephone refunds.

If an MP also holds office in a formal role, such as the Premier, Treasurer, other ministerial portfolio, Leader of the Opposition, Speaker, Whip, or Committee Member, an additional salary is payable ranging from \$8,217 per year (for a Committee Member position) up to \$143,499 per year (for the Premier). Most MPs hold one or more of these formal office roles, but where an MP holds two or more formal office roles, only the highest of these additional salaries is paid. For some formal office roles there is an "Expense of Office Allowance" ranging between \$4,350 and \$19,288 per year.

In addition, MPs and former MPs are entitled to superannuation or pension benefits. Finally, like all other citizens, MPs are also required to follow the Australian Tax Office guidelines in respect of the taxation payable on their earnings.

What the Tribunal is looking at

The Tribunal's role is to review and determine the appropriateness of each part of the total remuneration package, as well as the appropriate level of the entire package.

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The Tribunal must also ensure that any allowances reflect reasonable expenses of MPs and are not a substitute for salary.

When considering the history of Queensland MP salaries, allowances and entitlements over the past 50 years, the complexity of MP remuneration and how it is set is evident, as is how adjustments have proceeded largely in an ad-hoc fashion. It is also apparent that the current system of allowances and entitlements is not one that fits with the modern environment and contemporary societal expectations.

If you are interested in reading more about the details relating to MP remuneration you may wish to refer to the following sources:

- *Members' Entitlements Handbook*;
- *Members' Office Support Handbook*; and
- *Queensland Independent Remuneration Tribunal Act 2013*.

The above sources are available on the Tribunal's website www.remunerationtribunal.qld.gov.au. Follow the link to the resources section to access the documents.

The role of an MP

The remuneration of an MP should be commensurate with the responsibilities and duties of the role. However, it is difficult to clearly define the role of an MP.

Unlike jobs in both the private and public sectors, there is no specific position description attached to the role of an MP. It is not like a typical job where one submits their package of skills, experience and qualifications through an application process to an employer. Rather, there are effectively no barriers to entry when seeking to become an MP. Thus, MPs have a wide variety of skills, experience and qualifications.

It has been said that “the role of the MP is at the heart of our representative democracy”.¹

One of the further considerations is that the responsibilities and duties of an MP vary both by context and time. Changes in the external environment including the economic, political and social

¹ Independent Parliamentary Standards Authority UK Report “MPs’ Pay and Pensions, A New Package” July 2013, p9.

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climate will impact on the role of an MP. Further, different stages in the electoral cycle place different demands on an MP.

Broadly speaking, MPs have roles in relation to:

- their electorate and its community;
- the Parliament and its committee system; and
- their political party and its members (except for independents).

In more detail, the role of a Queensland MP may be summarised as follows:

- as a representative of the people in their electorate, they must play an active role in their community, listening and providing advice to and advocating for their constituents;
- they provide a direct link between the people in their electorate and the Parliament;
- they travel throughout their electorate (particularly those in larger electorates);
- they lobby Ministers regarding issues affecting their constituency and also may sponsor petitions;
- they perform many parliamentary functions as a member of the Legislative Assembly, such as debating legislation, scrutinising the actions of the executive government through questions on notice or without notice and making speeches, particularly on topics that affect their constituency;
- as Queensland only has one House of Parliament (i.e. it is “unicameral”), MPs perform the full role and function of passing legislation in its entirety;
- most MPs also serve on parliamentary committees to examine specific issues and legislation that comes before the Parliament; and
- where applicable, MPs who are members of political parties are required to participate in internal party processes.

It is therefore in the interests of all Queenslanders that the level of remuneration of MPs is such that it does not discourage suitable people from seeking election to the role. Further, the level of remuneration should be such that MPs are able to dedicate themselves to the role. Conversely, the level of remuneration should not be such that people are attracted to the role on the basis of financial reward without having due regard to the commitment to civic duty that the role demands.

Additional information, such as Fact Sheet 3.17 entitled *The Role of a Member of Parliament*, is available on the Queensland Parliament’s website at www.parliament.qld.gov.au.

Section 3: What would the Tribunal like to know?

The Tribunal is seeking feedback from all members of the community as part of its review of MP remuneration. This includes the views of both current and former MPs, and generally, the views from a wide range of Queenslanders.

While you may want to comment in general terms, the Tribunal would appreciate your responses to the following questions.

1. In considering the role of a Queensland MP, do you believe an appropriate remuneration structure is a combination of direct salary (including superannuation), and some expense allowances associated with performing the role of a MP? Please explain your answer.
2. If you believe there should be expense allowances, what sort of expenses should be allowed for? Please give examples.
3. How do you think the Tribunal should ensure that allowances are only used to meet the reasonable expenses of an MP and are not regarded as a substitute for salary?
4. What factors and benchmarks do you consider relevant in determining the reasonable direct salary (excluding expense allowances) that reflects the value to the community of an MP carrying out their role, functions and responsibilities?
5. Is there anything else about MP remuneration that you think is important for the Tribunal to take into consideration?

Section 4: How do you make a submission?

You can make a submission to the Tribunal in the following ways:

- Make your submission on line by visiting the Tribunal's web site at www.remunerationtribunal.qld.gov.au and clicking on the "make a submission" link; or
- Write to the Tribunal at:
Submissions – The Secretariat
The Queensland Independent Remuneration Tribunal
PO Box 15185
CITY EAST
QUEENSLAND 4002

The closing date for submissions to be received for this initial review is **5.00 pm on Tuesday, 10 September 2013**.

Information regarding future submissions on other reviews will be posted on the Tribunal's website in 2013/2014.

Privacy Statement

The Tribunal is subject to the provisions of the *Right to Information Act 2009* (RTI Act) and the *Information Privacy Act 2009*. Any personal information in your submission will be collected by the Tribunal for the purpose of undertaking a review and determination of Queensland MP and former MP remuneration. We may also contact you for further consultation regarding the review.

Personal information contained in submissions provided to the Tribunal in relation to the review will be treated as confidential by the Tribunal, unless you advise the Tribunal otherwise, and will only be used by authorised persons involved in or associated with the Tribunal.

The de-identified content of your submission may be used and published as a part of the Tribunal's review and determination. If you would like your submission, or any part of it, to be treated as confidential, please indicate this clearly in your submission.

Please note, however, that all submissions may be subject to disclosure under the RTI Act and access applications for submissions, including those marked confidential, will be determined in accordance with the RTI Act.

Further information relating to the access and treatment of personal information may be accessed from the privacy page on the Tribunal's website at www.remunerationtribunal.qld.gov.au.