



No. 8 of 2023

## REPORT OF THE REMUNERATION TRIBUNAL

### 2023 Review of the Common Allowance for Members of the Parliament of South Australia

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#### INTRODUCTION

1. The Remuneration Tribunal (**Tribunal**) has conducted a review of Determination 15 of 2022, which sets a common allowance for members of Parliament.
2. The common allowance is set under section 4AA of the *Parliamentary Remuneration Act 1990* (SA) (**PR Act**) and must be reviewed at least once every 12 months as required by section 4AA(3). It forms part of the basic salary of members of Parliament.
3. There are two components to the common allowance. The first is an amount of remuneration that reasonably compensates members of Parliament for the abolition of the annual travel allowance, metrocard special pass and subsidised or free interstate rail travel that applied prior to 2015. The second component is an amount payable to all members of Parliament for their service as ordinary members on parliamentary committees.
4. The aggregated amount of the two components cannot exceed \$42,000.
5. As explained in this report, the Tribunal has determined to increase the aggregated amount by 4.13%. The Tribunal has issued an accompanying determination, which applies from 1 December 2023.

#### THE REVIEW PROCESS

6. In accordance with sections 10(2) and 10(4) of the *Remuneration Act 1990* (SA) (**Act**), on 9 June 2023 the Tribunal invited submissions in respect of this review from:
  - a. the Honourable Premier of South Australia – as the Minister responsible for the Act who may make submissions or introduce evidence on any question relevant to the public interest;
  - b. members of Parliament;
  - c. the Treasurer; and
  - d. the Independent Commissioner Against Corruption.
7. Submissions were due by 7 July 2023.
8. The Tribunal also advertised its intention to review Determination 15 of 2022 on its website from 9 June 2023. Submissions were also invited by 7 July 2023.

9. On 4 July 2023, the Premier's representative confirmed that no submission would be made. No other submissions were received in respect of this review.

## **BACKGROUND**

10. The common allowance was established by the *Parliamentary Remuneration (Determination of Remuneration) Amendment Act 2015 (SA) (Amending Act)* which amended the PR Act.
11. The common allowance is comprised of two monetary amounts. The first amount is provided as compensation for the loss of the annual travel allowance, metrocard special pass and subsidised or free interstate rail travel. The second amount is provided as compensation for the loss of payments for service as ordinary members of parliamentary committees. In these respects, the Amending Act confirms that the common allowance represents compensation to members of Parliament for the loss of specified entitlements that operated before 2015.
12. Section 4AB of the PR Act establishes that the common allowance forms part of the basic salary of a member of Parliament. This section states:

*4AB—Basic salary*

*The **basic salary** payable to a member of Parliament is salary at a rate equal to the rate from time to time of the Commonwealth basic salary less \$42 000 plus the common allowance for the relevant year.*

## **CONSIDERATION AND CONCLUSION**

13. The Tribunal is not able to alter the basis of the common allowance or its component parts.
14. The current common allowance components comprise the following amounts:
- a. The amount of remuneration as reasonable compensation for the abolition of the annual travel allowance, metrocard special pass and subsidised or free interstate rail travel is \$18,760 per annum.
  - b. The amount of remuneration payable to all members of Parliament for service as ordinary members on parliamentary committees is \$14,269 per annum.
15. These amounts total \$33,029 per annum.
16. In accordance with section 4AA(3) of the PR Act the Tribunal may, if it considers it appropriate to do so, determine to increase an amount of remuneration payable by a specified amount.
17. The Tribunal has adopted the position that the first component of the common allowance should be recognised on the basis of a reimbursement of the previous benefits that applied before 2015. Separately, the Tribunal has considered the second component of the common allowance, which is more directly related to normal remuneration payments.
18. The Tribunal has considered movements in the Consumer Price Index (All groups Adelaide), the Australian Bureau of Statistics Wage Price Index (Public Sector South Australia), statistics concerning transport and domestic holiday travel and accommodation and has determined to apply an overall increase of 4.13% to the aggregated amount. The Tribunal has provided differential calculations to the two components that constitute the common allowance. The breakdown of the two components is provided for in the accompanying determination.

19. This review therefore increases the total amount of the common allowance to \$34,393 per annum. The increase will apply from 1 December 2023.
20. The Tribunal makes the observation that the aggregated amount is moving closer to the statutory limit of \$42,000. In the absence of any amending legislation, the Tribunal notes it will not be able to increase the common allowance amount.
21. The Tribunal understands from the second reading speech for the Amending Act that the statutory limit of \$42,000 was in 2015 the amount by which the Commonwealth basic salary exceeded the State basic salary. Whilst it does not affect this year's review, it may impact reviews in future years.



Matthew O'Callaghan  
**PRESIDENT**



Deborah Black  
**MEMBER**



Peter de Cure AM  
**MEMBER**

Dated: 28 November 2023