



No. 5 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 commenced the 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. In order for the Tribunal to meet its obligation to review the common allowance at least once in each 12 month period, the Tribunal has commenced the review, met and determined to defer any adjustment to the common allowance until after data for the September quarter has been published by the Australian Bureau of Statistics.

#### 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. 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.
14. 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. It considers the second component of the common allowance to be more directly related to normal remuneration payments.
15. The Tribunal has deferred any adjustment to the common allowance until after data for the September quarter has been published by the Australian Bureau of Statistics. As such, the Tribunal will meet shortly after the data is released and will consider whether any adjustment is appropriate. A subsequent report will be published at that time.



Matthew O'Callaghan  
**PRESIDENT**



Deborah Black  
**MEMBER**



Peter de Cure AM  
**MEMBER**

Dated: 28 August 2023