



No. 16 of 2023

REPORT OF THE REMUNERATION TRIBUNAL

2023 Review of Electorate Allowances for Members of the Parliament of South Australia

INTRODUCTION

1. The Remuneration Tribunal (**Tribunal**) has conducted a review of Determination 17 of 2022 which sets electorate allowances for members of Parliament.
2. As explained in this report, the Tribunal has determined that no increase will be awarded and therefore Determination 17 of 2022 will continue to apply.

BACKGROUND

3. The Tribunal made the following comments in Report 17 of 2022 as part of the 2022 review process:

“8. The Tribunal does not have current data on how members currently spend the electorate allowance, and acknowledges that this may vary substantially depending on the electorate and the member. Historically the Tribunal has recognised that a significant component of the allowance covers the cost of running a motor vehicle in the servicing of electorates. The Tribunal has noted changes in motor vehicle arrangements for members of Parliament which are likely to impact on this historical element of electorate costs imposts. Without attempting to give a fully exhaustive list the Tribunal has also previously noted other items of expense, including accommodation and travelling expenses (not otherwise covered), donations, subscriptions, telephone, printing, stationery and postage.

9. Accordingly, the Tribunal has consistently reviewed electorate allowances against cost of living increases rather than against wage setting criteria. Absent any indication that this approach is no longer applicable, the Tribunal has adopted a but (sic) generally consistent approach this year.

...

14. The Tribunal proposes to review the basis for electorate allowances in 2023. That review is expected to include consideration of the cost of items and amounts to be covered by the electorate allowance to ensure an appropriate basis for the allowance amount in the future. Submissions in this respect will be invited.”

THE REVIEW

4. As part of this year's review, the Tribunal considered past reports and determinations of the electorate allowance reviews to assess the categories of expenditure that the electorate allowances are used for.
5. Past reports consistently describe the components of the electorate allowance as follows:

"a significant component of the allowance covers the cost of running a motor vehicle in servicing of electorates. Other items of expense may include accommodation and travelling expenses (not otherwise covered), donations, subscriptions, telephone, printing, stationery and postage without attempting to give a fully exhaustive list."
6. The Tribunal has sought to ascertain what categories of expenses the electorate allowance is used for in the past. In 1969, 1975, 1994 and 2003 the Tribunal attempted to obtain detailed information from members of Parliament on the actual expenses incurred in servicing electorates. On each occasion the Tribunal was only able to elicit very limited information due to limited participation from members of Parliament in completing surveys and providing sufficient detail as to actual expenditure.
7. Of particular interest is the notion that "a significant component of the allowance covers the cost of running a motor vehicle in servicing electorates". There appears to be no past evidence available that describes what is meant by a "significant component" and whether it is a set amount, or percentage of the total electorate allowance for each electorate, which is apportioned to the cost of running a motor vehicle.
8. In 2003, members of Parliament raised the issue of the allocation of motor vehicles as part of the Tribunal's review. As part of the 2003 review, Report 2 of 2003 stated:

"Allocation of Motor Vehicles

A number of Members of Parliament made submissions for the allocation of motor vehicles to South Australian Members of Parliament on the basis that all other States had arrangements in this regard.

The Tribunal is informed that Federal Members along with Members in Victoria, Western Australia and the Northern Territory have access to motor vehicles under various arrangements. However Members in New South Wales, Queensland and some Members in Tasmania do not have vehicles provided.

The Crown Solicitor has confirmed that, under the Parliamentary Remuneration Act 1990, the Tribunal does not have the power to determine that motor vehicles be supplied to Members of Parliament (sic) as part of their salary and allowances. Having regard to section 6A of the Act, both Parliament and the Crown have the power to provide Members of Parliament with motor vehicles. Indeed that power has been exercised with the provision of a motor vehicle to one Member of Parliament in lieu of a chauffeur (sic) driven vehicle.

As a significant component of the Electorate Allowance covers the cost of running a vehicle in the servicing of electorates, if vehicles are provided to Members of Parliament the Tribunal would need to consider a downward adjustment of the electorate allowance."
9. Legislative changes that were subsequently made established that the Tribunal is restricted from reducing the electorate allowance and other allowances and expenses by reason of the provision of any non-monetary benefits (i.e. provision of a motor vehicle).

10. In 2004 the Government introduced an administrative scheme to allow members of Parliament a fully maintained vehicle subject to a \$7,000 financial contribution from the electorate allowance of each member of Parliament who participated in the scheme.
11. Little occurred in relation to the electorate allowance reviews after this time. In 2006 the Tribunal awarded an increase to the electorate allowance for the first time since 2003. Determination 5 of 2006 continued to apply until 2014 – that is, no increase was awarded during this period. In 2014 the Tribunal issued Determination 2 of 2014 which restated the exact same electorate allowances as provided in 2006. Some minor amendments were made to the electorates but no amendments were made to the amounts.
12. From 2015 to 2017, no increases were awarded.
13. From 2018 to 2022 small increases were applied to the electorate allowances.
14. As part of this 2023 review, the Tribunal requested a copy of the vehicle administrative scheme, as referred to above, from the South Australian Government Financing Authority. The proper title of the scheme is the *Members of Parliament Remuneration Vehicle Scheme*. That scheme requires a base annual financial contribution of \$7,000 from participating members of Parliament, provided that the total annual cost of the vehicle does not exceed the ordinary limit. Amounts that exceed the ordinary limit are required to be paid by the member of Parliament. This scheme operates, for the most part,¹ independent of the Tribunal, however, is relevant due to the portion of the electorate allowance that is attributed to it.
15. Consistent with the remarks made in Report 17 of 2022, the Tribunal determined to issue a survey to members of Parliament as part of the 2023 review. The purpose of the survey was to seek information about the expenditure for which the electorate allowances are currently used. The Tribunal distinguished electorate allowances from other allowances or expense recovery arrangements for members of Parliament because the electorate allowance provides for categories that are not otherwise covered by another instrument, scheme or benefit.
16. The survey was issued on 26 September 2023 with a return date of 30 October 2023. At the same time, and in accordance with sections 10(2) and 10(4) of the *Remuneration Act 1990 (Act)*, the Tribunal wrote to and invited submissions by 30 October 2023 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 in the public interest
 - b. members of Parliament
 - c. the Treasurer
 - d. the Independent Commissioner Against Corruption (**ICAC**)
17. The Tribunal also advertised its intention to review Determination 17 of 2022 on its website from 26 September 2023. Submissions were also invited by 30 October 2023.
18. On 26 September 2023, the ICAC advised that no submission would be made.
19. On 26 October 2023, the Premier’s representative confirmed that no submission would be made.

¹ There is a clause that allows a member of Parliament who has a medical condition to apply to the Remuneration Tribunal for approval of a non-standard vehicle. The Remuneration Tribunal does not otherwise have any involvement in administering or determining the scheme.

20. The Tribunal has only received one response to the survey.
21. No other submissions were received in respect of this review.

CONSIDERATION AND CONCLUSION

22. Section 4(2) of the Act provides as follows:

“The Remuneration Tribunal must, in determining electorate allowances and other remuneration for members of Parliament—

(a) have regard not only to their parliamentary duties but also to—

(i) their duty to be actively involved in community affairs; and

(ii) their duty to represent and assist their constituents in dealings with governmental and other public agencies and authorities; and

(b) must not reduce an amount payable merely because there has been a change in basic salary.”

23. The Tribunal does not believe that the survey response enables any general conclusions to be reached about the utilisation of the electorate allowance and the Tribunal will not apply CPI as may have occurred in past Determinations. Simply put, the Tribunal does not have sufficient information available to it to conclude that the electorate allowance is sufficient to enable a member of Parliament to undertake their parliamentary duties, be actively involved in community affairs and represent and assist their constituents in dealings with governmental and other public agencies and authorities.

24. It is not clear whether the categories of accommodation and travel, donations, subscriptions, telephone, stationery and postage remain relevant or whether these categories are now considered as outdated. It is also quite possible that the electorate allowance is used for other expenses that the Tribunal is not aware of – technologies and the state have certainly evolved since these categories were first referenced. However, the Tribunal is not in a position to consider such matters when there is inadequate evidence before it.

25. The Tribunal is also unable to confirm the proposition that a “significant” component of the electorate allowance is for the cost of running a motor vehicle, particularly given the *Members of Parliament Remuneration Vehicle Scheme* which continues to operate.

26. For these reasons, the Tribunal finds that there is no justification for awarding an increase to the electorate allowances.

27. Accordingly, Determination 17 of 2022 will continue in operation.



Matthew O'Callaghan
PRESIDENT



Donny Walford
MEMBER



Mark Young
MEMBER

Dated: 22 January 2024