



No. 5 of 2019

REPORT OF THE REMUNERATION TRIBUNAL
2019 REVIEW OF THE COMMON ALLOWANCE FOR MEMBERS OF THE PARLIAMENT
OF SOUTH AUSTRALIA

INTRODUCTION

1. Section 14 of the *Remuneration Act 1990* (“the Act”) provides that the Remuneration Tribunal (“the Tribunal”) has jurisdiction to determine the remuneration, or a specified part of the remuneration, payable in respect of certain offices, if such jurisdiction is conferred upon the Tribunal by any other Act or by the Governor by proclamation.
2. Section 3A(2) of the *Parliamentary Remuneration Act 1990* (“the PR Act”) confers jurisdiction on the Tribunal to make a Determination or perform any other function required by the PR Act.
3. Section 4AA(3) of the PR Act, provides that the Tribunal must review the common allowance once per year, and if the Tribunal considers it appropriate to do so, the Tribunal may determine an increase to the amount of the common allowance.
4. Section 4AA(4) provides that the aggregated amount of the two components of remuneration that comprise the common allowance must not exceed \$42,000.

BACKGROUND

5. The common allowance was established by the *Parliamentary Remuneration (Determination of Remuneration) Amendment Act 2015* (“the Amending Act”) which amended the *Parliamentary Remuneration Act 1990* (“the PR Act”).
6. 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.
7. The Tribunal has a statutory responsibility under the PR Act to review the amounts of the two components of common allowance on an annual basis.
8. The common allowance was last reviewed by the Tribunal in 2018. On that occasion, the Tribunal decided to increase the levels of each component of the common allowance, having regard to the all groups Consumer Price Index for Adelaide, as published by the Australian Bureau of Statistics.

9. In 2018, the Tribunal issued its Report¹ in relation to the common allowance, which stated:
- “Having regard to the nature of the common allowance and the factors considered when the allowance was originally determined, the adjustment of the amount of the allowance could proceed on the basis of various considerations. However, the determination of a considered framework of considerations should proceed in a manner whereby those whose remuneration would be affected are on notice and are able to make relevant submissions. The Tribunal intends to address these considerations and provide such notice in due course.”*
10. The Tribunal, in its notifications to the members of Parliament in relation to current review, stated that the Tribunal intends to:
- “...consider what the relevant factors are for the purpose of determining an appropriate level of allowance”*

PROCEDURAL HISTORY

11. Section 10(2) of the Act requires that before the making of a Determination affecting the remuneration of a particular person, or persons of a particular class, the Tribunal must allow that person, or persons of that class, a reasonable opportunity to make submissions.
12. Section 10(4) of the Act provides that the Honourable Premier of South Australia (“the Premier”), as the Minister responsible for the Act may intervene, personally or by counsel or other representative, in proceedings before the Tribunal for the purpose of introducing evidence, or making submissions, on any question relevant to the public interest.
13. The Tribunal wrote to the Premier, as the Minister responsible for the Act, and the members of Parliament on 7 May 2019, notifying of the Tribunal’s intention to review the common allowance. The Tribunal invited written submissions with a closing date of 7 June 2019.
14. Additionally, on 7 May 2019, a notice of the review was placed on the Tribunal’s public website.

SUBMISSIONS

15. No submissions were received by the Tribunal in relation to the review to which this Report relates.

CONCLUSION

16. The Tribunal has determined to adopt the following adjustments to the amount of remuneration as reasonable compensation for the abolition of: annual travel allowance, metrocard special pass and subsidised or free interstate rail travel.

Item	Relevant factor for the purposes of the Tribunal's review	Percentage increase last 12 months	Adjusted amount for Tribunal's 2019 Review
Annual Travel Allowance	Increases in the <i>Domestic Holiday and Travel and Accommodation</i> Consumer Price Index for Australia, as published by the Australian Bureau of Statistics, series 6401.0	1.70%	\$13,977
Metrocard Special Pass	Increases in the cost of a metrocard pass, as published by Adelaide Metro.	2.01%	\$1,623
Remuneration consisting of subsidised or free interstate rail travel	Increases in the cost of a Great Southern Rail ticket on "the Ghan" railway.	1.43%	\$2,128
<i>Total</i>			\$17,728

¹ Remuneration Tribunal Report 11 of 2018 – 2018 Review of the Common Allowance for Members of the Parliament of South Australia.

17. The Tribunal has determined to adopt the following adjustment to the amount of remuneration payable to all members of Parliament for service as ordinary members on parliamentary committees.

Item	Relevant factor for the purposes of the Tribunal's review	Percentage increase last 12 months	Adjusted amount for Tribunal's 2019 Review
Remuneration as payment for service as ordinary members of parliamentary committees	Increases in the Wage Price Index for Public Sector, South Australia, as published by the Australian Bureau of Statistics, series 6345.0.	1.80%	\$13,648
<i>Total</i>			\$13,648

CONCLUSION

18. The Tribunal has determined to adopt the above framework of considerations, which results in a 1.74% increase to the total common allowance amount.
19. The Tribunal's decision to adopt the above framework of considerations on this occasion does not constitute a commitment to automatically link the various components of the common allowance to any reference point. The Tribunal maintains its discretion in determining an appropriate level of common allowance from time to time.
20. Accordingly, the Tribunal will issue the accompanying Determination.

OPERATIVE DATE

21. The accompanying Determination will have operative effect on and from 25 July 2019.



John Lewin
PRESIDENT



Peter Alexander
MEMBER



Pamela Martin
MEMBER

Dated this 25th day of July 2019.