



No. 17 of 2022

REPORT OF THE REMUNERATION TRIBUNAL

2022 Review of Electorate Allowances for Members of the Parliament of South Australia

INTRODUCTION

1. The Remuneration Tribunal (**Tribunal**) has conducted a review of Determination 8 of 2021¹ which sets an electorate allowances for members of Parliament.
2. As explained in this report, the Tribunal has determined to increase the allowances by 4%. The Tribunal has issued an accompanying determination, which applies from 1 October 2022.

THE REVIEW PROCESS

3. On 22 June 2022, in accordance with sections 10(2) and 10(4) of the *Remuneration Act 1990 (Act)*, the Tribunal wrote to and invited submissions by 19 August 2022 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
4. The Tribunal also advertised its intention to review this, and other determinations applicable to members of Parliament, on its website from 22 June 2022. Submissions were also invited by 19 August 2022.
5. On 16 August 2022, the Premier's representative confirmed that no submission would be made. No other submissions were received in respect of this review.

CONSIDERATION AND CONCLUSION

6. Electorate allowances predate the *Parliamentary Remuneration Act 1990 (PR Act)* which commenced in April 1990, and have been set by the Tribunal since and before that time.
7. Consistent with section 4(2) of the PR Act, electorate allowances incorporate expenses associated with discharging parliamentary duties by members of Parliament. While they

¹ Electorate Allowances for Members of the Parliament of South Australia

are part of a member's remuneration, these allowances are intended to compensate members for the expenses they necessarily incur in the performance of their duties.

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 generally consistent approach this year.
10. The Tribunal has taken the following economic data into account:
 - a. The Consumer Price Index (All groups Adelaide) shows the following percentage changes from the corresponding quarters of previous years:
 - i. 3.3% for December 2021
 - ii. 4.7% for March 2022
 - iii. 6.4% for June 2022
 - iv. 8.4% for September 2022.
 - b. As at November 2022 the Reserve Bank of Australia forecast of the Consumer Price Index is:
 - i. 8% for December 2022 quarter
 - ii. 6.3% for June 2023
 - iii. 4.7% for December 2023
 - iv. 4.2% for June 2024
 - v. 3.2% for December 2024.
11. The Tribunal has noted the steps being taken to reduce the current inflationary trend and has adopted a cautionary approach to recognition of inflationary movements.
12. In reviewing this entitlement, the Tribunal has also had due regard to the necessary statutory considerations under section 4(2)(a) of PR Act. That section of the PR Act provides that the Tribunal must, in determining electorate allowances and other remuneration for members of Parliament, have regard not only to their parliamentary duties, but also to:
 - a. their duty to be actively involved in community affairs, and
 - b. their duty to represent and assist their constituents in dealings with governmental and other public agencies and authorities.
13. The Tribunal has decided that the electorate allowances should be increased by 4%, with effect from 1 October 2022. If more accurate information about electorate expenditures had been available to the Tribunal, a higher percentage increase may have applied.

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.



Matthew O'Callaghan
PRESIDENT



Deborah Black
MEMBER



Peter de Cure AM
MEMBER

Dated: 14 December 2022