



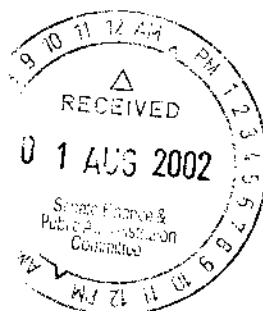
AUSTRALIAN SENATE

CLERK OF THE SENATE

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31 July 2002

Ms Sue Morton
Secretary
Finance and Public Administration
Legislation Committee
The Senate
Parliament House
CANBERRA ACT 2600



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Dear Ms Morton

MEMBERS OF PARLIAMENT (LIFE GOLD PASS) BILL 2002 — (2)

No sooner had I sent to the committee yesterday's submission concerning this bill, stating, amongst other things, that the jurisdiction of the Remuneration Tribunal does not encompass members' salaries, than numerous press items appeared, reporting that the Remuneration Tribunal had increased members' salaries, and quoting a Tribunal spokesman about the factors taken into consideration by the Tribunal in making this determination.

The Remuneration Tribunal do *not* determine members' salaries. They are determined by a regulation under the *Remuneration and Allowances Act 1990*, which fixes members' salaries by reference to a salary level in the public service. That salary level is determined by the Remuneration Tribunal, and the explanatory note accompanying the latest determination clearly indicates that the Tribunal does not consider, formally at least, what the salaries of members should be in making its determination.

Ironically, by taking members' salaries out of the jurisdiction of the Tribunal, the Parliament may at last have created the impression that was sought to be created when the Tribunal was established, that members' salaries are determined by the Tribunal and not by the Parliament. Members might consider that, now that the press and the public have been given this erroneous understanding, my suggestion that members' entitlements be taken away from the Tribunal altogether lacks merit. I still adhere to the recommendation that there should be a statutory consolidation of all entitlements of members and former members.

Yours sincerely

(Harry Evans)



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3pc rise: it pays to be a politician

Federal parliamentarians are to gain a 3.3 per cent increase in their pay packets today, most MPs nudging ever closer to an annual salary of \$100,000.

The Remuneration Tribunal, which sets politicians' pay rates, confirmed federal MPs' annual pay increases, backdated to July 1, would be received today.

The typical backbencher's salary rises from \$95,600 to \$98,800.

At the other end of the scale, Prime Minister John Howard's base pay will rise to \$256,880.

Deputy Prime Minister John Anderson, whose additional income above that of a backbencher's pay is 105 per cent, will top \$200,000 a year for the first time, getting \$202,540.

Treasurer Peter Costello becomes the third-highest-paid politician in the Federal Parliament, on \$185,250.

Opposition Leader Simon Crean, whose pay is set at 85 per cent additional to the MPs' rate, will now get \$182,780.

Probably the first good news embattled Australian Democrats Leader Natasha Stott Despoja has had in days will come with her pay rise to \$140,790, as leader of a non-government party of at least five members.

A Remuneration Tribunal

Position	Annual Salary
Prime Minister	\$256,880
Deputy Prime Minister	\$202,540
Treasurer	\$185,250
Opposition Leader	\$182,780
Member of Parliament	\$98,800

spokesman said politicians now received annual pay rises based on factors such as the consumer price index or the annual weekly ordinary time earnings.

The decision to move to annual increases was made two years ago because MPs' pay had not risen in five years.

— AAP