

Parliamentary Remuneration Amendment Bill 2001

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The objects of this Bill are:

- (a) to clarify provisions with respect to the payment of electoral allowances to members of Parliament, and
- (b) to ensure that the Parliamentary Remuneration Tribunal, in making determinations about the allowances or other additional entitlements of members, has regard to the financial implications of the determinations, and for that purpose invites and takes into account submissions from the Secretary of the Treasury.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *Parliamentary Remuneration Act 1989* set out in Schedule 1.

Electoral allowances

At present, section 10 of the Principal Act makes provision with respect to additional entitlements of members as determined by the Tribunal (that is, allowances and other additional entitlements apart from remuneration in the form of salary or expense allowances). In its determination of 4 December 2000, the Tribunal, when fixing the amount of the electoral allowance, canvassed a number of amendments to the Principal Act that would clarify the existing practice, in this State, the Commonwealth and other States, of the whole of the allowance being paid to and kept by members.

Schedule 1 [1]–[4] amend the Principal Act to make separate provision with respect to the electoral allowance. The revised provisions make it clear that the role of the Tribunal is to determine the amount of the electoral allowance and that the allowance is payable in money as compensation in respect of all incidents of the performance of parliamentary duties (other than those compensated or reimbursed by other additional entitlements).

Schedule 1 [7] inserts a transitional provision so as to ensure that the clarifying amendments apply to electoral allowances payable under the current determination of the Tribunal.

The amendments do not alter the existing provisions that exclude the electoral allowance from the remuneration of members for superannuation purposes.

Financial implications of determinations

At present, section 13 (5) of the Principal Act provides that the Tribunal is required, before making a report of its determination to the President of the Industrial Relations Commission, to seek the written advice of the Secretary of the Treasury as to the financial implications of the determination made by the Tribunal and to annex a copy of the advice to its determination.

Schedule 1 [6] omits section 13 (5).

Schedule 1 [5] inserts section 12A into the Principal Act so as:

- (a) to require the Tribunal, in making a determination of allowances or other additional entitlements, to have regard to the financial implications of the determination for the State, and
- (b) to require the Tribunal to invite the Secretary of the Treasury to make submissions about those financial implications and to take any such submission into account before making the determination, and
- (c) to require the Tribunal to annex a copy of any such submission to the report of its determination.