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**MPs' Entitlements**

by

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## **EXECUTIVE SUMMARY**

- from 1975 until 1989 the salaries of NSW members of parliament have been decided by a remuneration tribunal in the form of a judge (pp.5,8-16,24-26)
- from 1990 onwards the salaries of state and federal MPs have been linked to those of senior federal public servants
- significant changes have been made to the general level of MPs' superannuation entitlements (pp.6,18-20,34)
- since 1975, MPs have gained the benefit of expanded accommodation, and extra staff, to assist them (pp.7,20)
- since the late 1960s, MPs have gained a range of additional benefits such as subsidised printing and postage, and subsidised home phone calls (pp.22,29,35)
- since the late 1960s, MPs have gained the benefit of increased assistance with travel (pp.7,23,29)

## 1. INTRODUCTION

In 1966 the NSW Parliamentary Library produced a booklet on MPs' emoluments, covering the period 1912-1966. Since then, although the Parliamentary Remuneration Tribunal has been producing reports since the 1970s, the library itself has not produced an updated version of its own publication. It is in order to provide an "in-house" update of MPs emoluments since 1966 that this survey has been undertaken.

## 2. THE ASKIN AND LEWIS GOVERNMENTS 1965-1976

### 2.1 MPs' Salaries

In 1966, following the recommendations of the former Justice Matthews, the basic salaries of Members of Legislative Assembly (MLAs) were increased to \$6,840. Electorate allowances were also divided into six categories, rather than the previous four, to range from between \$120 and \$2,400. Basic salaries for Members of the Legislative Council (MLCs) were increased to \$2,040 plus an expense allowance of \$1,440. The living allowance for country MLCs was increased to \$10 a day.<sup>1</sup>

Two years later, at both a federal and at a state level, members began to press for an rise in salary: an increase initially opposed by the leaders of the incumbent parties. The *Sydney Morning Herald (SMH)* reported in July 1968 that "Some backbenchers have been canvassing support for an approach to the cabinet for increases in the next session of parliament, without an independent review. The positive reaction yesterday by Mr. Askin against the proposal is expected to put an end to it."<sup>2</sup> Similarly in Canberra, in October 1968, the *SMH* reported that "With a federal election now more than a year away, efforts to gain higher salaries and allowances for federal parliamentarians have resumed." Possibly in light of the fact that the month before, Western Australian MPs had gained a salary increase of \$1,000 (to \$7,500 a year), despite the then Prime Minister (John Gorton) having reservations about a rise (in view of the upcoming election), federal Members' salaries were increased in November 1968 from \$7,000 a year (as determined in 1964) to \$9,500 a year.<sup>3</sup>

Although Askin had opposed increases for state members in 1968, a year later he changed. This time it was the Labor Party that developed reservations about the increase. In March 1969 the *SMH* advised that "Mr. Askin had offered to recommend to cabinet a 17½ per cent increase in parliamentary salaries in the Legislative Assembly. . .the Opposition

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<sup>1</sup> NSW Parliamentary Library, *Payment of Members in New South Wales: Pros and Cons from 1912*, reference monograph no.4 (Joint Library Committee of the Parliament of New South Wales, Sydney, 1966), p.34.

<sup>2</sup> John O'Hara, "MLAs' Pay Moves Anger Their Cooks" in the *Sydney Morning Herald*, 20 July 1968, p.5.

<sup>3</sup> Ian Fitchett, "\$3,000 Increase Sought for MPs, Senators" in *ibid.*, 17 October 1968, p.5; *ibid.*, 12 May 1971, p.14; *ibid.*, 9 July 1971, p.1..

Leader, Mr. P.D. Hills. . .said he had reported the matter to the caucus. . .[which had] rejected the proposal”. Nevertheless, a day after Hills’s discussions with caucus, legislation was introduced, supported by both sides of parliament, which elevated a basic MLA’s salary to \$8,035 with electoral allowances increased to between \$1,945 and \$2,880. MLC’s salaries were increased to \$2,395 with expenses allowance raised to \$1,690.<sup>4</sup>

A year after the 1969 increase in NSW, Tasmanian MLAs gained a rise in salary to a minimum level of \$8,300.<sup>5</sup> Just under a year later, in July 1971, the Western Australian Parliamentary Salaries Tribunal awarded WA MLAs a basic increase of \$2,500 a year. As the *SMH* remarked, WA “Backbenchers will become the highest paid of any state parliament, with an annual salary of \$10,000.” Electorate allowances were also increased in WA, to between \$2,000 and \$4,1000.<sup>6</sup>

A month after the WA increases, Askin announced the establishment of a three-person tribunal to examine the possibility of further increases for MLAs and MLCs in New South Wales. The committee was to consist of Sir John Goodsell (former chair of the NSW Public Service Board), Sir Norman Rydge (a prominent company director) and A.F. Deer (general manager of the MLC). The NSW inquiry paralleled the establishment of a similar inquiry, set up by the Prime Minister (Sir William McMahon) and headed by Justice Kerr, to examine the possibility of increases in salary for federal Members. In December 1971 the Askin government introduced legislation to enact the recommendations of the committee which had suggested that the basic salary of an MLA should be raised to \$11,500 and that of an MLC to \$4,000. Whereas, in Canberra, McMahon had decided to postpone the increases for federal Members recommended by the Kerr inquiry, there was no uncertainty over the increases in New South Wales. The ALP opposition leader in the Legislative Assembly (Pat Hills) spoke for the legislation in the lower house, and the acting leader of the ALP opposition in the Legislative Council (the recently arrived Neville Wran) spoke in favour of the legislation in the upper house.<sup>7</sup>

In March 1973, at a federal level, Gough Whitlam introduced legislation to raise the basic

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<sup>4</sup> John O’Hara, “Parliamentarians’ Pay Rise Move Delayed by Labor” in *ibid.*, 26 March 1969, p.20; *ibid.*, 27 March 1969, p.1.

<sup>5</sup> Gavin Souter, “Just How Much is an MP Worth?” in *ibid.*, 11 September 1971, p.7.

<sup>6</sup> “WA MLAs to Get 33 pc Pay Rise” in *ibid.*, 9 July 1971, p.1.

<sup>7</sup> In February 1971, in the House of Representatives, a number of Liberal Party federal MPs actually broached the idea of a 10% pay cut for federal politicians. The same idea was taken up in the Senate by Senator Felix Dittmer (ALP, Queensland). However, in September 1971, the former leader of the ALP opposition in the House of Representatives (Arthur Calwell) announced that he was organising a petition in favour of higher salaries. See “Pay Cut Idea for MPs Dropped” in *ibid.*, 26 February 1971, p.8; “Calwell Seeking Pay Rise” in *ibid.*, 10 September 1971, p.1. See also John O’Hara, “New Look at Pay of PS, MLAs” in *ibid.*, 26 August 1971, p.1; *ibid.*, John O’Hara, “Askin Gets 343pc Pension Boost” in *ibid.*, 1 December 1971; “Askin Says MLAs’ Rise Not Trend-Setter” in *ibid.*, p.2; “MLC Knocks the Knockers of Pay Rises” in *ibid.*, 3 December 1971, p.2.

salary of members of the House of Representatives and the Senate to \$14,500.<sup>8</sup> Whitlam then decided to establish a remuneration tribunal to deliberate on MPs' salaries and entitlements. As he explained in his memoirs, "The *Remuneration Tribunal Act 1973*. . . provided for regular automatic reviews by a tribunal chaired by a judge to determine salaries of. . .members of parliament. . .and to recommend legislation for the remuneration of. . .ministers."<sup>9</sup>

A year after the federal increases, Askin introduced further legislation in the NSW parliament to increase the basic salary of a backbench MLA to \$14,400 and to increase the minimum electoral allowance to \$3,300. Salaries of MLCs were raised to \$5,200. The now leader of the ALP opposition in NSW (Neville Wran) concurred with the rises, stating (according to the *SMH*) that "there was unquestionably a case for higher salaries."<sup>10</sup>

In July 1974 the federal remuneration tribunal, headed by Justice Campbell, produced a report determining that the salaries of federal Members be raised by \$5,500 a year. However Whitlam was wary of the electorate's feeling towards this decision and attempted in cabinet to oppose the increase. Nevertheless cabinet voted 15-11 to accept the rise, with the Attorney General (Lionel Murphy) and the Minister for Services and Property (Fred Daly) strongly in favour. Only a matter of days later, parliamentary approval for the rise was blocked in the Senate.<sup>11</sup> Eight months later however, in March 1975, Whitlam reintroduced legislation to confirm the salary increases determined by the tribunal the year before. Although Liberal Senators Reg Wright and Ian Wood spoke out against the increase in the Senate, the rises were essentially approved by both sides of parliament. The basic salary of an MP was increased to \$20,000, with the basic electoral allowance being left unchanged at \$4,100.<sup>12</sup>

Despite Whitlam having earlier prevailed on state premiers, in August 1974, to defer any corresponding increases for state Members, and despite the recently knighted Sir Robert Askin assuring Whitlam that "the NSW government will do its best to dampen down. . . salary increases", eight months later, at the same time that federal MPs were about to receive their increases, Askin introduced legislation in the NSW parliament increasing the salaries of backbench MLAs to \$17,280 and that of MLCs to \$6,240. Electoral allowances were increased to between \$3,960 and \$5,904.<sup>13</sup>

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<sup>8</sup> Brian Johns, "Up Goes Pay for Politicians" in *ibid.*, 29 March 1973, p.1.

<sup>9</sup> Gough Whitlam, *The Whitlam Government 1972-1975* (Viking, Melbourne, 1985), p.702.

<sup>10</sup> John O'Hara, "Govt Plans 24pc Rise for MLAs" in the *SMH*, 7 March 1974, p.1; *ibid.*, 8 March 1974, p.9; "MLAs Get \$55 Rise" in *ibid.*, 6 March 1975..

<sup>11</sup> Ian Frykberg, "Caucus Rebuffs Whitlam Bid to Defer \$105 Rise" in *ibid.*, 25 July 1974, p.1; Brian Johns, "Senate Halts MPs' Rise for a Year" in *ibid.*, 26 July 1974, p.1.

<sup>12</sup> Peter Bowers, "MPs Expected to Get \$105 a week Pay Rise" in *ibid.*, 5 March 1975; "Move to Block Pay Rises Fails" in *ibid.*, 7 March 1975, p.8.

<sup>13</sup> "PM's Pay Request Rejected" in *ibid.*, 1 August 1974, p.1; "MLAs Get \$55 Rise" in *ibid.*, 6 July 1975; "MLAs Reject Wage Index Move on Their Salaries" in *ibid.*, 12 September 1975, p15.

In August 1975, the current premier (Tom Lewis) decided to follow the federal example and establish a tribunal to adjudicate MPs' salary increases. However, Lewis chose to establish a one-person tribunal consisting of a retired Supreme Court judge (Kenneth Asprey) who would, in turn, have to report his findings to the NSW Chief Justice (Justice Street).<sup>14</sup> In November 1975, Asprey produced his findings, determining that the salary of an MLA be raised to \$19,660 and that of an MLC to \$9,000. He also determined that electoral allowances be increased to a range of between \$4,750 and \$7,100. Asprey's report provoked adverse comment in the press. An editorial in the *SMH* asked "How can that be justified" and remarked that "It hardly be argued that work is arduous; for the most part, state parliament is in session for less than six months of the year." Despite the protestations of the press, the appropriate legislation providing for the increases was passed through parliament.<sup>15</sup>

*Salaries of NSW MPs: 1<sup>st</sup> Annual Determination of the NSW Remuneration Tribunal*<sup>16</sup>

	Premier	Minister	Member of the LA	Member of the LC
January 1976	\$43,900	\$36,860	\$19,660	\$9,000

## 2.2 MPs' Superannuation

In 1967 the Askin government took steps to increase MLAs' pension entitlements. At the time, MLAs received a pension of \$60 a week if they were either defeated, or retired, after 15 years' service in parliament. MLAs' own contribution to the scheme amounted to \$780 a year. Askin's proposal was that MLAs would contribute \$2 a month more and receive a pension increase of \$2 a week for every additional year in parliament over 15 years: peaking at a total of \$80 a week after 24 years in parliament.<sup>17</sup>

Two years later, in November 1969, Askin announced that he would examine submissions, presented to him by the Parliamentary Amenities Committee, regarding changes to the parliamentary superannuation scheme. According to the *Sydney Morning Herald's* account of the proposals, "Under the cabinet scheme, big pension increases would flow to the premier, ministers, and other parliamentary office holders, including the leader of the opposition. . . A joint meeting of Liberal and Country Party MLAs decided to accept the cabinet scheme". However, a day after details of the scheme were announced, the ALP decided to oppose it. Not that the latter were against increases, more that they were against

<sup>14</sup> "Pay Rise for MPs Likely" in *ibid.*, 2 August 1975.

<sup>15</sup> John O'Hara, "Big Salary Increase Next Year for MLAs" in *ibid.*, 12 November 1975; "Pay for Politicians" in *ibid.*, 14 November 1975.

<sup>16</sup> Parliamentary Remuneration Tribunal, *Report and Determinations of the Parliamentary Remuneration Tribunal*, 3 November 1975.

<sup>17</sup> John O'Hara, "Cabinet Decides to Increase MLAs Pensions" in *ibid.*, 23 February 1967, p.10.

the way that the increases were directed. The *SMH* reported that “The opposition had sought a different scheme which would have given higher pensions than the government proposed to defeated MLAs with short service.” With the ALP opposed to the scheme, the Askin government, for the moment, decided to discard it.<sup>18</sup>

Another two years later, Askin resurrected his pension proposals through having the Goodsell committee (established to examine parliamentary salaries) also examine parliamentary superannuation. The committee recommended the adoption of a scheme similar to that operating in the Victorian parliament. Legislation introducing the Goodsell proposals was introduced into the Legislative Assembly on the evening of 30 November 1971 and later passed both Houses. The *SMH* commented that “The press faced considerable obstacles in reporting information about the increases proposed. Although the proposals had been in the government’s hands for weeks, the press was not given any official details until the premier had begun speaking in the Legislative Assembly”. The *SMH* also commented that “The complex nature of the parliamentary pension formula made it difficult to calculate its general effect”.<sup>19</sup>

A year later the Askin government made further changes to parliamentary superannuation to allow Members who accepted crown appointments to retain parliamentary pension benefits. The *SMH* reported that “Under the present scheme, former members of state parliament have their pension rights suspended while holding Crown appointments or serving as members of the federal parliament. If not eligible to a lump sum benefit beforehand, they normally lost their right to one upon vacating their crown appointment.” At a federal level there were already 10 former federal Members (then occupying official positions as diplomats, judges or public servants) who were currently receiving their parliamentary pensions. These included Sir Garfield Barwick, Sir Alexander Downer and Sir Hubert Opperman.<sup>20</sup>

At a federal level, as Alan Ramsey later wrote in the *SMH*, “the new Whitlam Labor government effected major changes, among them the automatic indexation of MPs’ pensions, the abandonment of the minimum age rule for MPs turfed out by voters, the increase, to age 45, for voluntary retirement, and increasing the maximum pension to 75 per cent of salary dependent on length of parliamentary service.”<sup>21</sup>

### **2.3 MPs’ Facilities**

In the late 1960s, both in the federal realm and the state realm, the level of MPs’ facilities was quite basic. In the federal parliament, MPs’ rooms were small and, in the state

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<sup>18</sup> John O’Hara, “Labor to Meet Today on Pensions” in *ibid.*, 20 November 1969, p.12; John O’Hara, “ALP Rejects Pension Rise Plan” in *ibid.*, 21 November 1969.

<sup>19</sup> John O’Hara, “Askin Gets 343pc Pension Boost” in *ibid.*, 1 December 1971, p.12.

<sup>20</sup> *ibid.*, 21 August 1970, p.11; *ibid.*, 17 November 1972, p.13.

<sup>21</sup> Alan Ramsey, “When It Comes to Retiring MPs, No Taxpayer’s Pocket is Safe” in *ibid.*, 6 June 2001.

parliament, MPs often shared rooms. The Prime Minister did not have VIP aircraft for travel. Robert “Buzz” Kennedy wrote that “When I worked in Canberra for Sir Robert Menzies. . .He and other ministers caught ordinary commercial services as a matter of course. I once accompanied Sir Robert on a world trip. . .We travelled on commercial services and his staff for the trip comprised a private secretary, a typist, an officer from his department and me.”<sup>22</sup>

Nevertheless the Whitlam government introduced a significant innovation in the facilities available to MPs. With the federal remuneration tribunal being able to receive submissions from MPs themselves, Mick Young (a South Australian ALP backbencher) had suggested to the tribunal that MPs be provided with extra staff: in his own case, to help with social welfare cases in his electorate of Port Adelaide. The tribunal agreed with Young’s submission and, in its first report, not only recommended salary increases for MPs but advocated that backbenchers be provided with a research officer as well as an electorate secretary. In February 1975 the Minister for Services and Property (Fred Daly) announced that all federal parliamentarians would be able to employ an extra staff member who could be paid up to \$7,353 a year. As the *SMH* reported, the decision “was welcomed by Labor and opposition members as a major step towards helping backbenchers represent their electorates more fully.”<sup>23</sup>

In the mid-1970s, possibly influenced by the Whitlam government’s decision to provide additional staff for federal Members, the Lewis government, in June 1975, announced that it would make provisions for MLAs to be provided with an office and a secretary.<sup>24</sup> More significantly, Lewis presided over the calling for tenders for the construction of a new wing behind the old parliament house.<sup>25</sup>

## 2.4 MPs’ Travel

In New South Wales, backbenchers began to gain significant entitlements in the area of travel. All Members of the Legislative Assembly, by 1969, were entitled to 6 single air journeys a year within the state. On top of that, MLAs representing and living in country electorates were entitled to a further 40 single air trips a year between their electorates and Sydney.<sup>26</sup>

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<sup>22</sup> Buzz Kennedy, “The Buzz on Sunday” in the *Sunday Telegraph*, 28 September 1986.

<sup>23</sup> Ian Frykberg, “MPs and Senators to Get Extra Staff” in the *SMH*, 26 February 1975.

<sup>24</sup> *ibid.*, 25 June 1975.

<sup>25</sup> Andrew Andersons, “A New Building for Parliament” in Maisy Stapleton (ed.), *Australia’s First Parliament: Parliament House New South Wales* (Parliament of New South Wales, Sydney, 1987), p.1987.

<sup>26</sup> John O’Hara, “MLAs Likely to Get Pension Rises” in *ibid.*, 19 November 1969, p.11.

### 3. THE WRAN AND UNSWORTH GOVERNMENTS 1976-1988

#### 3.1 MPs' Salaries

In mid-1976, just after his election as premier, Neville Wran introduced legislation into the NSW parliament to institutionalise Justice Asprey's presence as an adjudicator in the form of the NSW Parliamentary Remuneration Tribunal (with Asprey as the only member). Soon after Asprey began his second annual review of MPs' salaries. Meanwhile at the beginning of 1976 the federal remuneration tribunal commenced its third annual review of MPs' entitlements, presenting its findings in July 1976 in which it determined that federal MPs' salaries be increased to \$21,250.<sup>27</sup> In November Asprey presented his report on NSW MPs' salaries, which was then tabled in parliament. His determination was that the base salary of an MLA should be raised from \$19,660 to \$20,660 with electoral allowances increased to a range of \$6,300 to \$9,900. He also determined that the salary of an MLC be increased to \$9,540 with an expense allowance of \$3,540. The recently elected premier, Neville Wran, stated that, despite the potential for further adverse comment on Members' pay increases, he would accept the rise "in good conscience" and pointed to the "misconception that MPs are always getting extra".<sup>28</sup>

In mid-1977 the federal parliamentary remuneration tribunal determined that federal MPs' salaries should increase from \$21,250 to \$24,369, despite the newly elected Fraser government forwarding a submission to the tribunal suggesting that it postpone a rise. While the prime minister argued for restraint, most MPs from both sides of politics supported an increase. John Abel (Liberal member for Evans) was in favour of the rise, as well as Paul Keating (ALP member for Bankstown) who remarked that "The average bloke in parliament now can hardly live on his salary."<sup>29</sup>

In November 1977, Asprey presented his third report on NSW parliamentarians' remuneration in which he determined that backbench MLAs should receive a rise in their basic salary to \$22,010 and that backbench MLCs should receive an increase to \$10,430. While mindful of previous adverse reaction from the press and the public, Wran declared that "Against leading executives of major companies the salaries of politicians are certainly not comparable by any means. We are paid well below them".<sup>30</sup>

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<sup>27</sup> "MPs To Get \$24 Rise" in *ibid.*, 1 July 1976.

<sup>28</sup> "State Members to Get Pay Increase" in *ibid.*, 26 November 1976; "MPs Defend Salary Rises" in the *Daily Mirror*, 26 November 1976.

<sup>29</sup> Geoff Kitney, "Rising Burden of Politicians' Perks" in the *National Times*, 2 August 1985; "Govt Opposes MPs' Pay Rise" in the *SMH*, 26 March 1977; "Most MPs Agree on Rise" in *ibid.*, 24 June 1977, p.4; "MPs Demand a \$3,000 Pay Rise" in the *Sunday Telegraph*, 6 February 1977, p.1.

<sup>30</sup> "State Politicians to Get 6pc Rise Next Year" in the *SMH*, 24 November 1977; "Politicians Earn the Money, Says Wran" in the *Daily Mirror*, 24 November 1977, p.17.

At the beginning of 1978 the federal tribunal once more commenced its hearings: this time with even stronger representations from the Fraser government for the tribunal not to recommend any rises. Graeme Atherton reported in *The Australian* that “The federal government has asked the remuneration tribunal not to grant any pay rise to politicians this year because, it says in its submission to the tribunal, that maximum wage restraint is ‘imperative’.”<sup>31</sup> Despite Fraser’s exhortations, the tribunal determined an increase in the basic salary of a federal backbench MP to \$25,692 with electorate allowances increased to \$9,000 for city electorates and to \$13,000 for country electorates of more than 5,000 square kilometres. As a concession to calls for wage restraint, the Fraser ministry decided to forego the ministerial salary, and ministerial allowance, increases recommended by the tribunal.<sup>32</sup>

At the end of 1978, the NSW parliamentary remuneration tribunal (this time represented by retired Supreme Court Judge David Selby) handed down its determinations on salaries for NSW MLAs (who from early 1978 had decided that they should be known as MPs).<sup>33</sup> Selby determined that salaries of backbench MPs should rise to \$23,214 and that their electoral allowances should increase to between \$7,780 and \$12,154. For MLCs, Selby determined a rise in salary to \$11,073.<sup>34</sup>

In its sixth report into MPs’ salaries, the federal parliamentary remuneration tribunal introduced an innovation by determining that salary increases for backbench MPs and ministers, according to Peter Bowers’ summary in the *SMH*, “be tied rigidly to national wage rises granted every six months by the Conciliation and Arbitration Commission.” Indeed, while the initial increase suggested by the tribunal was \$26,720, only a matter of days after the tribunal delivered its findings, parliamentarians gained a further increase via the National Wage Case decision of 27 June 1979: bringing the salary level to \$27,575. Initially the Fraser government rejected the suggestion of twice yearly increases but, in October 1979, it was decided that federal MPs would get automatic annual rises from 1 July 1980, in alignment with National Wage Case decisions.<sup>35</sup>

In New South Wales in November 1979, retired Judge Charles Meares (who had replaced Selby as the NSW tribunal) delivered his end of year determinations for state MPs: deciding that the basic salary of backbench MPs be increased from \$23,214 to \$24,975 and that electoral allowances for backbench members be raised to a range of \$8,599 to \$13,539. For

<sup>31</sup> Graeme Atherton, “Govt Opposes a Pay Rise for MPs” in *The Australian*, 13 May 1978.

<sup>32</sup> “\$82,619 Boost In Fraser’s Pay” in the *SMH*, 21 June 1978, p.2; “Minister to Give Up Part of Pay Rise” in *ibid.*, 22 June 1978, p.1.

<sup>33</sup> “MLAs Change to MPs” in *ibid.*, 1 March 1978.

<sup>34</sup> Peter Kennedy, “MPs to Get Rises of Up to 6.2pc” in *ibid.*, 7 December 1978, p.1.

<sup>35</sup> Peter Bowers, “MPs’ Pay Decision Puts Government in Quandary” in *ibid.*, 20 June 1979, p.3; Peter Bowers, “No 6-Month Rises for MPs” in *ibid.*, 21 June 1979, p.10; “Added Boost to Wages of Federal MPs” in *ibid.*, 28 June 1979, p.19; Tony O’Leary, “New Federal MP Pay Rise” in the *Sun*, 10 October 1979, p.11.

MLCs, Meares determined a rise in backbench salaries from \$11,768 to \$14,985 and an increase in basic allowances to \$5,159. Once more the increases were endorsed by the premier Neville Wran, who declared that “I hope the new salary increases will make me the highest-paid premier in Australia. I work the hardest.”<sup>36</sup>

At the beginning of 1980 the federal parliamentary remuneration tribunal commenced its annual hearings into federal MPs’ salaries and again, in June, determined a further increase: this time to \$28,816 a year for backbenchers. Electorate allowances were increased to \$11,500 a year for members whose electorates were under 5,000 square kilometres. Members with electorates over 5,000 square kilometres were given electorate allowances of \$16,750.<sup>37</sup> This was duly provided for by the Fraser government and then in the second half of 1980, as a consequence of a 4.2% increase granted to workers in the National Wage Case decision, federal backbench MPs’ salaries once more rose to \$30,026.<sup>38</sup>

Meanwhile, in NSW, Meares commenced his own hearings in mid-1980 and (towards the end of the year) produced a report that again determined increases: deciding that the salaries of backbench members of the Legislative Assembly be raised from \$24,975 to \$28,190 (with electoral allowances to be increased from \$9,292 to \$14,292) and that the salaries of backbench MLCs be raised from \$14,985 to \$18,324 (with electoral allowances increased from \$5,159 to \$6,040). Again there were complaints in the media about the fact that the increases were recommended at all: the *Daily Telegraph* reporting that “the rise comes at a time when the government is under fire for the low number of parliamentary sitting days. Parliament sat for only 54 days this year”. However the rise was strongly endorsed by many members. Vince Durick, MP for Lakemba, was reported as saying that the rise was not enough and Michael Egan (then MP for Cronulla) was quoted as saying that “I would much prefer to be paid \$240 for a forty-hour week and get paid overtime for any hours I put in over that.”<sup>39</sup>

In 1981, at a federal level, considerations of restraint became a real issue for the first time in adjudication of MPs’ salaries. In June 1981 the federal parliamentary remuneration tribunal, in its eighth annual assessment of MPs’ entitlements, determined an increase for federal backbenchers from \$30,026 to \$36,000: a rise of about \$6,000. The tribunal also determined that electorate allowances for urban seats be increased to \$12,600, and that electorate allowances for country seats be increased to \$18,400. In early July, while Fraser was overseas on a trip to the USA, his cabinet endorsed the determinations of the tribunal. Although an ALP backbencher, Dr. Doug Everingham, had argued against a salary increase in evidence to the tribunal, the leader of the ALP opposition (Bill Hayden) supported the increases. Upon Fraser’s return, however, a group of Western Australian Liberal MPs convinced the prime minister not to provide for the entire increase. Fraser then proceeded to

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<sup>36</sup> “Neville’s Big Wish” in the *Daily Mirror*, 12 December 1979, p.3; “State MPs to Take Their 13pc Increase in Salaries” in the *SMH*, 24 December 1980.

<sup>37</sup> *SMH*, 5 June 1980, p.1.

<sup>38</sup> *Sunday Telegraph*, 9 November 1980, p.9.

<sup>39</sup> *SMH*, 24 December 1980, p.1; *Daily Telegraph*, 24 December 1980.

overturn the cabinet decision. Liberal MP Ross McLean stated that “I think it took a lot guts to overturn” it. *The Australian* praised the move, declaring “Well Done, Mr. Fraser, For Giving a Lead”. In late August, Fraser persuaded the cabinet to reduce the suggested increases (for salaries and electorate allowances) by half. However many Liberal Party backbenchers objected strongly: Philip Ruddock (Liberal, NSW) was reported in the *SMH* as arguing that “politicians had already exercised considerable wage restraint since 1974”. Two days after deciding to halve the tribunal’s suggested increases, cabinet decided to restore the original increase in electoral allowances.<sup>40</sup>

Later in 1981 Meares began taking submissions as he commenced the NSW tribunal’s seventh annual adjudication of state MPs’ salaries. Despite the upheaval in Canberra over increases in entitlements for federal MPs, Meares (in his report tabled in December) decided on a rise in salaries for state Members of around 13%. Salaries for backbench MPs were increased from \$28,190 to \$32,000, with electoral allowances to be increased to between \$10,200 and \$18,200. For MLCs, Meares determined an increase from \$18,342 to \$22,400, with electoral allowances increased to around \$7,150. The reaction in the press was hostile. The *Daily Telegraph* commented that “Mr. Wran and his colleagues on both sides of state parliament could do worse than to consider reducing the proposed payments” and the *Daily Mirror* remarked that “no amount of gum-beating will justify to the majority of electors either the whopping size of their salary rise or its cynical timing.” However, as the *Sydney Morning Herald* observed, “Under the apolitical system of fixing MPs’ salaries in NSW, the determinations of the judge cannot be altered by the government or the parliament. They take effect automatically.”<sup>41</sup>

Despite the controversy over MPs’ salaries the year before, the federal parliamentary remuneration tribunal commenced its ninth adjudication of federal Members’ salaries in 1982: with Justice Mahoney replacing Sir Walter Campbell as chair of the tribunal. Many Members were confident of receiving the second \$3,000 of the \$6,000 increase that the tribunal had originally awarded them in 1981. Meanwhile during March, in an address to parliament, Fraser made a strong plea for wage restraint throughout the community: a plea which was soon endorsed by the Victorian Institute of Public Affairs.<sup>42</sup> A day after Fraser’s plea, however, it was reported that the speaker of the federal parliament (Sir Billy Snedden) had forwarded a submission to the tribunal in which he requested a rise in salary to a level higher than that of a minister (\$69,165) and just below that of a prime minister (\$103,348).<sup>43</sup> The ALP opposition also strongly favoured a rise in salaries: not only backing

<sup>40</sup> *Sun-Herald*, 5 July 1981; Editorial in *The Australian*, 15 July 1981; *SMH*, 8 July 1981; “MPs Applaud Fraser in Pay Rise Decision” in *ibid.*, 15 July 1981; Editorial in *ibid.*; Paul Kelly, Russell Barton and Peter Bowers, “Cabinet Backs Down in Face of MPs’ Pay Revolt” in *ibid.*, 27 August 1981.

<sup>41</sup> “Whopping Rises in MPs’ Pay, Expenses” in the *Daily Mirror*, 2 December 1981; *Daily Telegraph*, 3 December 1981; *Daily Mirror*, 3 December 1981; Paul Ellercamp, “MPs’ Pay Rise to Cost \$7m” in the *SMH*, 3 December 1981.

<sup>42</sup> “MPs to Expect No Pay Rise” in the *Sun*, 11 March 1982: see also “Institute Slams MPs’ \$173 a week Pay claim” in *The Australian*, 2 April 1982.

<sup>43</sup> *Australian Financial Review*, 12 March 1982.

Snedden's submission but supporting an increase for all Members (Gordon Scholes, ALP spokesman on defence, declaring that MPs were in a desperate situation).<sup>44</sup> Only Ross McLean (Liberal, WA) made a dissenting submission, arguing that MPs' salaries and electorate allowances should not be increased and that severance travel entitlements for former MPs were "unnecessarily generous".<sup>45</sup> In May 1982 the annual National Wage Case hearings, to which MPs' salaries had also recently become linked, refused to award workers catch-up pay increases.<sup>46</sup> On 1 July 1982 federal members automatically received the second \$3,000 of the 1981 increase. A month later the tribunal presented its findings: determining on a 7 per cent increase to be delayed until 1 October. The new basic salary for backbenchers would rise to \$38,500. Electorate allowances were also increased: for electorates with an area of up to 5,000 square kilometres the allowance was increased from \$12,600 to \$14,000. For electorates over 5,000 square kilometres the allowance was increased from \$18,400 to \$20,000.<sup>47</sup> The rise was greeted adversely in the press. The *SMH* editorialised on the "considerable element of hypocrisy in many of the solemn exhortations for wage and salary earners to restrain their pay demands."<sup>48</sup> *The Bulletin* questioned the assertion of Fraser's Employment and Industrial Relations Minister (Ian McPhee) that he could earn twice his salary (\$60,320 p.a.) in the business world, noting that the average Australian senior executive in 1982 received \$54,800 p.a. before tax.<sup>49</sup>

In 1982 retired NSW Supreme Court Justice John Slattery replaced Meares as the NSW parliamentary remuneration tribunal and began the tribunal's eighth annual hearings into state MPs' salaries. Wran in NSW, like Fraser federally, similarly urged restraint on increases for Members: declaring that "I would be quite happy if it was restricted to 7 per cent".<sup>50</sup> At the end of November, Slattery presented his determinations: deciding on a 12.5 per cent rise in backbench MPs' salaries to \$36,000, and an increase in electoral allowances to between \$11,490 and \$20,684. For backbench MLCs, Slattery determined a rise in salary to \$25,200. Wran however, in discussing legislation to enact the rises, persuaded cabinet to approve salary increases of 7 per cent for the first half of 1983, with the remaining 5.5 per cent to flow on in the second half of 1983. Opinion amongst MPs, on the increases themselves, was somewhat divided. Kevin Rozzoli, of the Liberal Party, publicly spoke out against the increase. However, his colleague Nick Greiner said he should have consulted the party before making such a statement. Amongst the ALP, caucus chairman Arthur Wade spoke for a freeze on any increases, while both Maurie Keane (of the left of the party) and Vince Durick (of the right) argued for the immediate full implementation of the rise.<sup>51</sup>

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<sup>44</sup> *Sun*, 1 April 1982.

<sup>45</sup> "Solitaire" in the *National Times*, 4 April 1982.

<sup>46</sup> "Wage Decision Foils MP Pay Rise" in the *Sun*, 17 May 1982.

<sup>47</sup> Tim Dare, "MPs' Fringe Benefits – Where Restraint Ran Thin" in the *SMH*, 11 August 1982.

<sup>48</sup> Editorial in *ibid.*, 12 August 1982.

<sup>49</sup> "People" in *The Bulletin*, 24 August 1982.

<sup>50</sup> Murray Trembath, "Wran 'Quite Happy' on Pay Curb" in the *Sun*, 20 August 1982.

<sup>51</sup> Mike Steketee, "Wran Wins a Pause in MPs Pay Rise" in the *SMH*, 1 December 1982; "What

1983, at a federal level, witnessed the further elevation of the principle of restraint, in MPs' salary determinations, with the election to government of the ALP under the leadership of Bob Hawke. The ALP had been elected partly on a policy of wage restraint (formalised during the election campaign as the "Accord") and Hawke felt obliged to apply this principle to members of the federal parliament. The new prime minister's views on restraint notwithstanding, the federal remuneration tribunal, in its tenth adjudication of federal MPs' salaries (delivered in November) nevertheless determined increases: recommending that the basic salary for a member of parliament rise from \$38,500 to \$40,156. Significantly, the tribunal determined that electoral allowances not be increased.<sup>52</sup>

In NSW the premier (Neville Wran), being also current national president of the ALP, felt correspondingly obliged to uphold the principles of restraint advocated by his federal colleagues. In April 1983 he wrote to state Members asking them to sign a letter forgoing the second portion of the 1982 (\$4,000) increase which Wran had earlier decided should accrue to MPs in the second half of 1983. A few days after he despatched his letter, the leader of the opposition (Nick Greiner) replied in the affirmative: stating that he was certainly prepared to forgo his increase. ALP backbenchers, however, were divided on the issue. John Aquilina (MP for Blacktown) stated that "I think we should be seen to be exercising restraint"; however the caucus secretary (Rick Mochalski, MP for Bankstown) said that he felt morally obliged to accept the rise but would donate it to cancer research. After receiving advice from the Australian Taxation Office that MPs might still be taxed on the increase, despite their not taking it, Wran decided not to hold up the flow-on.<sup>53</sup> In the second half of 1983, Slattery commenced the NSW parliamentary remuneration tribunal's ninth adjudication of state MP's salaries and, despite the current atmosphere of restraint, determined increased salaries of \$38,000 for a backbench MP and \$29,450 for an MLC. Slattery also made determinations for rises in electoral allowances for MPs from \$12,074 to \$21,599.<sup>54</sup>

During 1984 the Hawke government maintained its policy of wage restraint. At the end of June 1984 the federal parliamentary remuneration tribunal handed down the findings of its eleventh adjudication of federal MPs' salaries: once more determining increases, this time of 11.7 per cent.<sup>55</sup> Hawke, fearing cries of hypocrisy if MPs' salaries were allowed to rise while those of others were kept down, refused to approve legislation enacting the increase.

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They Did in Macquarie Street" in *ibid.*, 9 December 1982; Martin Riordan, "Wran Defends \$44 Rise" in the *Daily Mirror*, 10 December 1982

<sup>52</sup> *The Australian*, 18 November 1983.

<sup>53</sup> Mike Steketee, "Reject Pay Rise: Wran's Plea to MPs" in the *SMH*, 16 April 1983; Claire Tedeschi, "Greiner Backs Call to Forego MP Rise" in the *Sun Herald*, 17 April 1983; Martin Riordan, "Labor in Revolt on Pay Rise" in the *Daily Mirror*, 18 April 1983; *SMH*, 21 July 1983

<sup>54</sup> Martin Riordan, "MPs Getting Another Pay Boost" in the *Daily Mirror*, 25 November 1983; Mike Steketee, "State MPs to Receive 5.5pc Rise" in the *SMH*, 2 December 1983; "Now is the Time for All Good MPs. . ." in *ibid.*, 2 February 1984.

<sup>55</sup> Milton Cockburn, "Govt is Coy on MP Pay Report" in the *SMH*, 31 July 1984.

Nevertheless the flow-on from the 1984 national wage case decision still took basic federal Members' salaries up to \$42,889.<sup>56</sup>

In 1984, to provide further support to the Hawke government's policy of wage restraint, Neville Wran introduced legislation into state parliament to bring NSW Members' salaries into the ambit of the national wage case guidelines. The legislation amended the Parliamentary Remuneration Tribunal Act and required the tribunal to adopt the Hawke government's new wage-fixing principles and to sit as soon as possible following the handing down of state wage case decisions. Effectively this meant that Members would, like other wage-earners at the time, receive changes to their salaries every six months.<sup>57</sup> In July, as provided for in the legislation, MPs in NSW gained the benefit of a 4.1 per cent increase granted by the NSW Industrial Commission in its State Wage Case hearings. This increased the salaries of MPs to \$39,558 and that of MLCs to \$30,657.<sup>58</sup>

During 1985 at a federal level, despite Hawke's appeals for restraint the previous year, the federal remuneration tribunal still determined increases in salaries and allowances of around 4 per cent. The rise was supported by MPs such as Ian Cameron (National Party) who blamed Malcolm Fraser for federal MPs' salaries being "way down" (although he acknowledged that he had not spent about \$4,000 of his previous year's electoral allowance). Justice Mahoney, as chair of the tribunal, determined increases in electoral allowances of between \$15,200 for MPs in city electorates to \$23,300 for MPs in electorates of over 5,000 square kilometres. As Geoff Kitney observed in the *National Times*, in twelve years the amount provided in electoral allowances had risen by between 400% to 500%. Hawke however, while continuing to refuse to approve legislation providing for salary rises, did secure the enactment of increased electoral allowances in September.<sup>59</sup> However, with a flow-on from the 1985 national wage case decision, the salaries of backbenchers rose to \$44,519.<sup>60</sup>

At the same time, in NSW, MLCs continued to make submissions to the NSW parliamentary remuneration tribunal for salaries equal to that of members of the Legislative Assembly. In late May, Slattery presented a report concurring in the MLCs' claims in recognition of their full-time status.<sup>61</sup> At the end of June, NSW Members received a rise

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<sup>56</sup> "MPs Miss Pay Rise" in the *Sunday Telegraph*, 14 July 1985; "Up Go Salaries and Perks for Pollies" in the *Daily Mirror*, 9 August 1985.

<sup>57</sup> Mike Steketee, "MPs Move into Line on Wages" in the *SMH*, 25 January 1984.

<sup>58</sup> Tracy Aubin, "MPs Get 3.8 pc Rise Backdated to November" in *ibid.*, 4 January 1986.

<sup>59</sup> Geoff Kitney, "Rising Burden of Politicians' Perks" in the *National Times*, 2 August 1985; Warwick Costin, "MPs' Perks Rise" in the *Sunday Telegraph*, 4 August 1985; "Hawke Near Top Perch" in the *Daily Mirror*, 23 September 1985; Neil O'Reilly, "Perks Anger" in the *Sun Herald*, 29 September 1985; Bruce Jones, "Pay Debacle – MPs Fear Missing Out" in *ibid.*, 24 March 1991.

<sup>60</sup> Michelle Grattan, "MPs Lose Catch-Up Pay Increase, But Win CPI" in *The Age*, 2 July 1986.

<sup>61</sup> "Pay Claim MPs May Be Put to Work" in the *Illawarra Mercury*, 27 February 1985; Sun, 6 June 1985.

flowing from the April national wage case decision: taking their wages from \$39,558 to \$40,587. Electoral allowances of all members of the NSW parliament rose from between \$12,880 to \$23,075, to between \$13,272 to \$23,690.<sup>62</sup> Subsequently Slattery began the NSW parliamentary remuneration tribunal's eleventh hearing into state MPs' salaries: determining, at the end of the year, that salaries for MPs and MLCs (now on the same level) be increased from \$40,587 to \$42,129, and that electoral allowances for members of the Legislative Assembly be raised from between \$13,601 to \$24,203, and for MLCs to \$13,601.<sup>63</sup>

The following year, at a federal level, the Hawke government continued to apply its policy of restraint to federal MPs' salaries: not without further objections from backbenchers. At the beginning of 1986 the federal parliamentary remuneration tribunal recommenced its annual hearings, during the course of which the federal Special Minister of State (Mick Young) publicly voiced his opinion that, as far as salaries were concerned, "MPs. . . have put themselves into a corner."<sup>64</sup> Young's comments, however, led to a flood of adverse letters-to-the-editor.<sup>65</sup> In mid-1986 the tribunal produced a report determining an 11.7 per cent increase in Members' salaries (to \$50,871). Not long after the report was released, Hawke announced that he would introduce special legislation to negate the raising of MPs' salaries traditionally flowing from the tribunal's findings. However, with a flow-on from the June 1986 national wage case hearing, federal backbenchers' salaries still rose to \$45,542. Furthermore Hawke did secure passage of legislation to provide for the tribunal's recommendation that Members' electorate allowances be increased by 9.2%.<sup>66</sup>

In New South Wales, even before Slattery began his annual hearings, some backbenchers were already voicing concerns about their salaries. Mick Clough, ALP member for Bathurst, declared in May that "I have sold land I owned in the Blue Mountains and the proceeds were barely enough to pay my debts." Phillip Smiles, Liberal party MP for Mosman, added his voice to Clough's, stating that "I can't afford to be the Member for Mosman unless I have an income over and above that of a backbench Member of Parliament."<sup>67</sup> In July 1986 Members in NSW received the same 2.3 per cent flow-on from the national wage case decision as their federal colleagues: taking the salary of a backbencher to \$43,098. In his report, presented in October 1986, Slattery formalised this increase as part of his determination and increased electoral allowances to between \$14,146

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<sup>62</sup> Elizabeth Fortescue, "MPs Get a Rise. . . For Some It's \$10,000" in the *SMH*, 22 June 1985.

<sup>63</sup> Tracey, Aubin, "MPs Get 3.8 pc Pay Rise Backdated to November" in *ibid.*, 4 January 1986; Pilita Clark, "Pay is Great, Perks Are Terrific" in *ibid.*, 4 April 1986..

<sup>64</sup> Warwick Costin, "Poorly Paid MPs Forced into Debt" in the *Sunday Telegraph*, 11 May 1986.

<sup>65</sup> See the *Sun Herald*, 25 May 1986.

<sup>66</sup> Mary-Louise O'Callaghan, "Have Pity on the Poor MP" in the *SMH*, 21 May, 1986; Annette Young, "Government Acts to Cut 11.7 pc Increase for MPs" in *The Age*, 20 August 1986.

<sup>67</sup> "Pollies' Pay is Beyond the Fringe" in the *Daily Telegraph*, 21 May 1986; Pilita Clark, "Help the Poor: Employ an MP" in the *SMH*, 10 September 1986.

and \$25,056.<sup>68</sup>

Restraint continued to be the theme of politics, at a federal level, during 1987; Hawke basically ensuring that federal MPs received the flow-on from the March 1987 national wage case decision, raising backbench salaries to \$46,065, with electoral allowances subsequently increasing to between \$17,392 and \$25,127.<sup>69</sup> Federal backbenchers' salaries, nevertheless, still remained substantially above those of base-grade employees in other occupations. Andrew Stephens pointed out in *The Age* that, during the same year, a teacher earned \$34,572 pa; a waterside worker earned \$19,159 pa; and a bank teller earned \$15,349 per annum.<sup>70</sup> Meanwhile, at the end of December, the federal parliamentary remuneration tribunal determined a 6% increase in federal MPs' salaries and electorate allowances.<sup>71</sup>

At a state level in 1987 (the last full year of what was now the Unsworth government in NSW) state Members also received the benefits of the Conciliation and Arbitration Commission's decision in the March national wage case. This rise was formalised in Slattery's determinations presented in May 1987: bringing NSW backbenchers' salaries to \$43,620. Slattery also decided on an increase in electorate allowances to between \$15,343 and \$27,221.<sup>72</sup> Despite the Wran and Unsworth government's recent commitments to restraint, public disquiet continued to be aired in the press over the number of parliamentary sitting days contrasted to the rate of pay.<sup>73</sup>

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<sup>68</sup> Ross Coulthart, "Rise Puts Ms on Base of \$43,098" in the *SMH*, 23 October 1986.

<sup>69</sup> John Moses, "Public Might Back Pay Rise for MPs" in the *Sunday Telegraph*, 4 October 1987.

<sup>70</sup> Andrew Stephens, "When 11.7pc Equals 33pc" in *The Age*, 7 October 1987.

<sup>71</sup> Mike Secombe, "MPs Get a Pay Rise – And Keating Gets a Bonus" in the *SMH*, 31 December 1987.

<sup>72</sup> Tracy Aubin, "Pay Rise for State Officials" in the *SMH*, 17 September 1987.

<sup>73</sup> Richard Macey, "MPs – Who Are the Hardest Workers?" in *ibid.*, 19 November 1987.

*Salaries of NSW MPs: Determinations of the NSW Remuneration Tribunal 1976-1987*<sup>74</sup>

	Premier	Minister	Member of LA	Member of LC
January 1977	\$45,860	\$38,550	\$20,660	\$9,540
January 1978	\$48,230	\$40,620	\$22,010	\$10,430
January 1979	\$50,700	\$42,727	\$23,214	\$11,073
January 1980	\$54,546	\$45,968	\$24,975	\$14,985
January 1981	\$61,568	\$51,887	\$28,190	\$18,324
January 1982	\$69,880	\$58,892	\$32,000	\$22,400
January 1983	\$74,000	\$62,000	\$36,000	\$25,200
January 1984	\$78,090	\$66,380	\$38,000	\$29,450
April 1984	\$81,292	\$69,102	\$39,558	\$30,657
November 1985	\$86,575	\$73,593	\$42,129	\$42,129
October 1986	\$88,566	\$75,286	\$43,098	\$43,098
May 1987	\$89,088	\$75,808	\$43,620	\$43,620

### 3.2 MPs' Superannuation

In 1978 the Fraser government introduced legislation to amend the arrangements for federal Members' superannuation. Under previous arrangements, federal members had to serve twenty years to get a pension that was the equivalent of 75% of the salary that they earned in their last year of office. The new legislation provided for Members to be able to commute half their pension entitlements over ten years to a lump sum, and also receive an \$8,600 annual pension. The pension would also be adjusted when parliamentary salaries rose.<sup>75</sup>

In New South Wales, in October 1978, the first state election was held in which MLCs were elected. This presented problems of superannuation provision for a number of members. The NSW parliamentary remuneration tribunal was asked to investigate the matter and, as Steve Gibbes reported in the *Daily Mirror*, "A report by . . . [Justice Selby] recommended that most of the 45 MLCs – retired compulsorily in the October 7 state election when the council was elected for the first time – be paid a lump sum of thirty per cent of their salaries for their unused terms of office."<sup>76</sup>

In April 1979 a story appeared in the *Sydney Morning Herald* that the Wran government was considering more substantial superannuation for NSW MPs. The *SMH* reported that "At present MPs qualify for superannuation after eight years. This is expected to be amended to allow members who serve less than eight years to qualify for a part-pension in proportion to their term."<sup>77</sup> Six months later Wran finally introduced legislation along the

<sup>74</sup> See *NSW Parliamentary Papers*, 1976-1978, vol.10; 1978-1979, vol.4; 1979-1980, vol.6; 1980-1981, vol.7; 1981-1982, vol.4; 1982-1983, vol.5; 1983-1984, vol.7; 1984-1986, vol.15; 1986-1988, vol.25.

<sup>75</sup> *Sun*, 1 June 1978.

<sup>76</sup> *Daily Mirror*, 9 November 1978, p.3.

<sup>77</sup> Peter Kennedy, "Veteran State MPs May Retire Early" in the *SMH*, 25 April 1970, p.3.

lines that the article in the press had foreshadowed. According to Peter Kennedy, writing in the *SMH*,

The new measures to amend the Parliamentary Contributory Superannuation Act contain improved benefits, such as an increase in the pension rate after 20 years as an MP from 70 per cent to 80 per cent of the basic [1979] salary of \$23,214. This would mean that a backbencher with 20 years in parliament would get \$18,571 a year, a rise of \$2,322. . . A member eligible for a pension after eight years will also get a 10 per cent increase in the level of the pension, taking it to 51.2 per cent of his current salary. . . In a new provision, a former member who has served in three parliaments but for less than eight years will get a special pension of 45 per cent of his basic salary.<sup>78</sup>

In April 1981 the Fraser government once more amended the federal parliamentary superannuation scheme. Scott Milson reported in the *SMH* that, under the provisions,

Members pay 11.5 per cent of their base salary if they have less than 18 years service, reducing to 5.75 per cent after 18 years. . . A member receives benefits if he voluntarily retires after 12 years or has served four terms. He is also eligible if he involuntarily goes because of illness, or failure at an election after only eight years service in three terms. Those who do not qualify for benefits under the 12-year or 8-year rules get back, on leaving parliament, their total contributions and a supplement. Those who leave voluntarily get one and one-sixth times their total contributions; those who leave involuntarily get two and one-third times their total contributions. . . Once a member of parliament has passed the 12- or 8- year mark, the terms get even better. After eight years service he becomes eligible to receive on retirement a pension of 50 per cent of his salary at retirement, rising to 75 per cent if he retires after 18 years. . . in the parliamentary scheme, pensions are indexed and go up each time parliamentary salaries rise. . . Instead of taking the pension annually, a parliamentarian can take it in a lump sum – 10 times the annual amount.<sup>79</sup>

Paul Gresham (a superannuation consultant) calculated that, in the case of federal backbenchers who had entered the federal parliament in 1975 and likely to lose their seats in the forthcoming 1983 election, they could be eligible for an annual pension of \$19,800 or a lump sum of \$198,000: their own contributions to the federal parliamentary superannuation scheme amounting to \$26,000.<sup>80</sup>

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<sup>78</sup> *ibid.*, 19 October 1979, p.3.

<sup>79</sup> Colin Parks, "McMahon Won't Quit to Collect Pension" in the *Sun*, 10 April 1981; Scott Milson, "Superannuation: MPs Are Set for Life" in *ibid.*, 13 August 1981.

<sup>80</sup> Trevor Sykes and Paul Gresham, "Or Multi-Million Dollar Men in the Ministry" in *The Bulletin*, 18 August 1981, p.69. In a subsequent interview in *The Australian*, a year later, Gresham maintained that the arrangements of the federal parliamentary superannuation scheme also allowed for tax minimisation. Gresham remarked, according to the paper, that "If Mr. Fraser had retired in July this year, he would have paid about \$59,000 towards his superannuation over 27 years. For this he would receive \$483,180 in a lump sum, on which he would pay

Fraser's amendments to parliamentary superannuation provoked the first instance of this form of parliamentary entitlement becoming used as an instrument in federal political contestation. Fraser himself had previously used travel as a platform on which to attack Whitlam while the latter was in office: declaring that "Australia does not need a tourist as prime minister."<sup>81</sup> The ALP now chose to use parliamentary superannuation as a platform on which to attack the Liberal Party with Senator Peter Walsh, the opposition spokesman on finance, raising the issue of former Liberal Members (who were already living on substantial parliamentary pensions) being subsequently appointed by Fraser to government positions (such as John McLeay, former federal minister for construction, being appointed Australian consul general in Los Angeles).<sup>82</sup> Certain sections of the press, however, also observed that there were ministers from the previous Whitlam government who were equally receiving both a parliamentary pension and income from current government positions: such as Lance Barnard (director of the Office of Australian War Graves) and Al Grassby (Commissioner for Community Relations).<sup>83</sup> Although the ALP endeavoured to base the opposition to the federal parliamentary superannuation scheme within its own ranks, some prominent members of the Liberal Party also voiced misgivings about the scheme. John Valder, current president of the NSW branch of the Liberal Party, declared in May 1982 that "politicians. . .superannuation schemes are generally unsupportable in terms of equity."<sup>84</sup>

At the same time that Fraser was amending the federal parliamentary superannuation scheme, in NSW further proposals to amend the Parliamentary Contributory Superannuation Act were considered by ALP backbenchers: principally changing the minimum period of parliamentary service, to qualify for a pension, from eight years to seven and allowing pensions to rise through consumer price index adjustments.<sup>85</sup> Wran secured passage of legislation implementing these changes later in 1981 and the significance of them was reported on by Milton Cockburn as follows:

MPs. . .will be entitled not only to a generous lump sum, but also to a pension which will grown substantially each year. MPs who qualify by being in parliament for seven years are entitled to a full pension of about 50 per cent of their salary, although this pension increases with the MP's length of service. A retiring MP can have up to 75 per cent of a pension converted to a lump sum equal to 10 times that

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tax of \$14,495, leaving a tax free gain of \$358,174." See Robert Bowden, "Making Allowances for an MPs' Way of Life is Costing Us Dear" in *The Australian*, 24 November 1982.

<sup>81</sup> *SMH*, 8 May 1978.

<sup>82</sup> *Daily Telegraph*, 13 April, 1981; *Sun*, 4 May 1981.

<sup>83</sup> "ALP Hard Line on Ex-MPs in Top Government Jobs" in *The Australian*, 3 July 1982.

<sup>84</sup> "MPs' Pensions Unsustainable, says Liberal Fund Raiser" in *ibid.*, 27 May 1982.

<sup>85</sup> *SMH*, 16 April 1981.

amount. The proportion allowed depends on the length of service. The remainder of the original pension entitlement becomes the actual pension, which is adjusted each year for inflation. But – and this is the key to scheme – the consumer price index adjustment is applied not to the actual pension after the lump sum conversion, but to the original pension entitlement. The result is that, after about ten years, the actual pension is restored to its original amount.<sup>86</sup>

During 1982, both at a federal level and in some state jurisdictions, the ALP maintained its attack on federal parliamentary superannuation arrangements. At its national conference, in July, the ALP resolved that, if elected, it would make changes to the federal scheme.<sup>87</sup> Three months later, Senator Peter Walsh declared that “Golden handshakes. . . will be a thing of the past under a Labor government.” In December 1982, Ken Wriedt, former minister in the Whitlam government and current leader of the opposition in Tasmania, declared that “Throughout the community there are enormous inequities in superannuation benefits, and politicians are part of an elite who enjoy. . . superannuation schemes [that] have been allowed to build up in the states and the commonwealth which have been a racket and a rip-off since they were first instituted.” Walsh continued his own attack on federal superannuation arrangements, stating that Sir Phillip Lynch (former minister in the Fraser government) should forgo his lump sum retirement pay-out of \$470,000 because there was a wage freeze currently being maintained for federal public servants.<sup>88</sup>

In 1983 the newly elected ALP government, led by Bob Hawke did make some changes to federal superannuation arrangements which in turn came to have an impact on NSW parliamentary arrangements: but the alterations were not quite as extensive as Peter Walsh’s pre-election declarations might have indicated. In February 1983, just prior to the federal election, Hawke did make a major policy statement on government administration which referred to the federal parliamentary superannuation scheme as “indefensibly self-indulgent”.<sup>89</sup> However the subsequent changes, which Hawke proceeded to enact in legislation, were not so far-reaching. The *SMH* remarked in an editorial that “Mr. Hawke has not taken an axe” to the scheme “he is merely tapping it with a feather. The main benefits are unchanged; the only difference will be in the way they are handed out.”<sup>90</sup> As Peter Walsh subsequently outlined, in his memoirs, “In the 19 May 1983 Statement, the government announced that all lump-sum superannuation payments received by persons under 55 would, from 1 July 1983, be taxed at a flat 30 per cent rate; and for persons over 55, the first \$50,000 would be taxed at 15 per cent, the balance at 30 per cent.”<sup>91</sup> According

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<sup>86</sup> Milton Cockburn, “State MPs Cash in on Super Deal” in *ibid.*, 27 December 1986.

<sup>87</sup> Warwick Costin, “A Parliamentary Pension Paradise” in the *Sunday Telegraph*, 31 October 1982.

<sup>88</sup> “Golden Handshakes: Senator Seeks Cuts” in the *SMH*, 25 October 1982; Peter Dwyer, “Politicians’ Super Schemes a Public Rip-Off, says Wriedt” in *The Australian*, 6 December 1982; “Lynch Should Forgo \$470,000 – ALP” in *ibid.*, 13 December 1982.

<sup>89</sup> Paul Kelly, “Blitz on Govt Pay-Outs” in the *SMH*, 10 February 1983.

<sup>90</sup> Editorial in the *SMH*, 30 March 1983.

<sup>91</sup> Peter Walsh, *Confessions of a Failed Finance Minister* (Random House, Sydney, 1995), p.110.

to a newsletter produced by consultants Palmer Trahair Owen and Whittle/Towers Perrin Forester and Crosby (PTOW/TPF&C), Hawke's alterations did not change the fact that "a 'full' pension is payable after a relatively short period of service as an MP, that the pension is fully indexed and that it is payable from the age at which the MP leaves parliament (no matter how young) instead of being deferred to age 65."<sup>92</sup> During 1986, Walsh had to drop further changes, to the federal parliamentary scheme, which he had advocated during the 1982 election campaign. The *SMH* reported in November that, "The Minister for Finance, Senator Walsh, has backed away from his proposed retrospective legislation to stop retired federal MPs receiving more than one pension from the public purse." As Walsh recorded in his memoirs, when he presented his proposal to the federal ALP caucus, "Peter Duncan from South Australia and Keith Wright from Queensland. . .opposed my recommendation. . .When it went to caucus a second time, exactly the same thing happened".<sup>93</sup>

In New South Wales, Hawke's new taxes on superannuation produced a hostile reaction amongst some of his state parliamentary colleagues. ALP caucus secretary Rick Mochalski stated that "This will deprive workers of their last chance to get a good quid to do them for the rest of their retired lives."<sup>94</sup> NSW MPs's superannuation arrangements continued to be a focus of the press in 1985, as *The Bulletin*, for instance, reported that Tim Fischer (having moved from state parliament to the federal parliament) would take the \$125,000, he had accumulated in the NSW parliamentary superannuation scheme, forward to the federal parliamentary superannuation scheme.<sup>95</sup>

### 3.3 MPs' Facilities

In 1980 the new wing of parliament house, in NSW, was completed and the immediate level of MPs' facilities changed substantially.<sup>96</sup> By 1982, not only had members acquired their own individual rooms in state parliament, but the services available to them had also expanded. Not only did they retain their entitlements to subsidised home phone calls (90% of calls) and to subsidised postage (600 stamps a month), as well as entitlements to free air journeys a year within NSW and gold passes for retired members, but, as Luis Garcia noted in the *SMH*, "members are also entitled to. . .free accident insurance within Australia, courtesy of the GIO, with cover of \$108,000 for backbenchers. . .free airport-to-home trips, and free airport parking. . .free overseas travel on approved tours to 'investigate subjects of particular interest'".<sup>97</sup>

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<sup>92</sup> Anna Buduls, "MPs' Cuts 'A Token Sacrifice'" in the *Australian Financial Review*, 21 April 1983.

<sup>93</sup> Walsh, op.cit., p.135; Ross Dunn, "Walsh Backtracks on Pensions Bill" in the *SMH*, 20 November 1986.

<sup>94</sup> Martin Riordan, "Workers 'Losing Their Last Quid'" in the *Daily Mirror*, 27 May 1983.

<sup>95</sup> "Some Handshakes for MPs Not So Firm" in *The Bulletin*, 8 January 1985.

<sup>96</sup> Andersons, op.cit., pp.82,86.

<sup>97</sup> Martin Riordan, "MPs' Perks" in the *Daily Mirror*, 22 June 1982; Luis Garcia, "MPs' Pay: The Salary is Just the Start" in the *SMH*, 30 December 1982.

In 1984 the Hawke government made a significant addition to the facilities available to federal members when it obtained passage of the *Members of Parliament (Staff) Act 1984*: allowing ministers to recruit two full-time consultants at an average salary of around \$50,000.<sup>98</sup>

During 1985, in New South Wales, given the current atmosphere of restraint, some restrictions on MPs facilities were introduced. Wran's Minister for the Environment (Bob Carr) decided that cottages in national park areas, which had hitherto been made available to ministers at less than commercial rates, would henceforth be let for considerably increased fees.<sup>99</sup>

In 1987 more country MPs became entitled to air travel, via deliberations made by the NSW parliamentary remuneration tribunal on new electorate boundaries established by the Electoral Commission. As Dennis Shanahan reported in the *SMH*, "Once only the electorate of Broken Hill – covering the entire north-western third of the state – qualified for an air charter allowance. . . Other country MPs had to be content with travelling more than 100,000 kilometres a year in their cars. . . But under the new boundaries, effective at the next general election, there are now 13 electorates which have been given charter allowances ranging from \$4,000 a year to \$12,000 a year."<sup>100</sup>

By 1987 some public concern came to be expressed about other areas of MPs' facilities: in the particular the use of MPs' postage entitlements. In September the *SMH* reported that a letter, sent to constituents in Penrith urging support for the ALP in the forthcoming state election, had been sent using parliamentary stationery and posted with parliamentary postage entitlements. The misuse of parliamentary stationery and postage had been discovered when a letter, marked "return to sender", had inadvertently arrived in the office of Colin Fisher (National Party MP for Upper Hunter).<sup>101</sup>

### 3.4 MPs' Travel

In 1977, through the determinations of Asprey's report for November 1976, the Leader of the Opposition was provided with an official overseas trip (accompanied by his wife and a private secretary) once in the life of every parliament. In June 1977 the then leader of the Liberal Party in the NSW parliament (Sir Eric Willis) departed on a six-week official tour of the USA, Britain and continental Europe.<sup>102</sup> By 1978 the number of air journeys available for members had increased: according to a report in the *SMH* this had now risen to

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<sup>98</sup> Alan Ramsey, "Pollies at a Pretty Price" in the *National Times*, 20 September 1985.

<sup>99</sup> The national park areas in question included the Ku-ring-gai national park, the Royal National Park and Kosciusko national park. See "Bite's on MPs' El-Cheapo Perk" in the *Daily Telegraph*, 5 June 1985.

<sup>100</sup> Dennis Shanahan, "Now, A Vision Splendid of MPs' Planes Extended" in the *SMH*, 1 May 1987.

<sup>101</sup> Tracey Aubin, "The Fisher Story about the Letter that Got Away" in *ibid.*, 24 September 1987.

<sup>102</sup> "Six-Week Tour for Sir Eric" in *ibid.*, 18 May 1977.

10, with members' wives and approved relatives being entitled to 4 journeys a year.<sup>103</sup> By 1985 the number of single air journeys, within NSW, available to a member during the life of each parliament, had increased to 36. MPs had also become entitled to eight interstate trips during the life of each parliament.<sup>104</sup>

Two years later, Members' travel entitlements re-emerged as an issue at a federal level. In September 1986, Liberal Party backbenchers Paul Everingham and John Hodges attacked the federal treasurer (Paul Keating) for claiming \$17,600 in travelling allowances (from Sydney to Canberra) for the period June 1985 to May 1986, in light of his apparently spending relatively few days in Sydney during that time.<sup>105</sup> Keating's travel arrangements were later regularised by the federal parliamentary remuneration tribunal, at the end 1987, when it decided that a minister required to stay in Canberra for "continuous periods" could claim \$105 a night.<sup>106</sup> Later in the year, Keith Wright (ALP, Queensland) levelled the same type of charge at the deputy federal leader of the National Party (Ralph Hunt), with the latter, according to the *SMH*, "conceding he owned a house in Canberra but claims his principal place of residence is in northern NSW." Hunt, in his own defence, according to the *SMH*, declared to ALP MPs that, "I think you ought to recognise that all of you do it."<sup>107</sup>

#### **4. THE GREINER AND FAHEY GOVERNMENTS 1988-1995**

##### **4.1 MPs' Salaries**

In March 1988 an election was held in NSW which saw the return of a Liberal-National Party coalition led by Nick Greiner. At a federal level, just at the end of 1987, the federal parliamentary remuneration tribunal produced a report determining a rise in federal Members' salaries from \$46,065 to \$48,867 based on an increase of 3.8 per cent (backdated to 1 July 1987) and 2.2 per cent from July 1988.<sup>108</sup> Following the production of its report at the end of 1987, the federal parliamentary remuneration tribunal began its fifteenth annual adjudication of federal MPs' salaries. In May 1988 the ALP forwarded a submission to the tribunal requesting that Members' salaries be made equivalent to that of a level 2 public servant in the Senior Executive Service (SES) of the Commonwealth Public Service. Some

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<sup>103</sup> "What They Won't Tell You" in *ibid.*, 22 June 1978, p.1.

<sup>104</sup> Joe Payne, "How They Fare in Macquarie Street" in the *Sun Herald*, 29 September 1985; "MPs' Pay: Press Can't Help Itself" in the *SMH*, 9 January 1986.

<sup>105</sup> "Keating's Housing Row Continues" in *ibid.*, 23 September 1986; "MPs' Travel Dilemma" in *The Australian*, 25 September 1986.

<sup>106</sup> Mike Seccombe, "MPs Get a Pay Rise – And Keating Gets a Bonus" in the *SMH*, 31 December 1987.

<sup>107</sup> Rod Frail, "Hunt Admits to Canberra House" in *ibid.*, 26 September 1986.

<sup>108</sup> Alan Ramsey, "Silver Lining for the Politicians' Pockets" in the *SMH*, 2 January 1988; Bruce Jones, "Federal Ministers Behind on Pay" in the *Sun Herald*, 3 January 1988.

federal ALP backbenchers spoke out publicly for the increase. Gordon Scholes, of the right-wing of the party, declared that Hawke's restraints on federal Members' pay increases amounted to "using our hapless backbench as political cannon fodder". However, Gerry Hand, of the left of the ALP, remarked in a newsletter that "it is not the time" for a salary increase for MPs. In November the tribunal presented a report in which it determined a 36% increase in federal MPs' salaries: taking the salary of a backbencher to \$67,000 by 1990. There was, however, a public outcry over the proposed 36% rise. A month later, Hawke won the agreement of the federal ALP caucus to have the tribunal's advice re-assessed by the Conciliation and Arbitration Commission. Justice Maddern, at the Commission, recommended an increase of around \$5,500 and Hawke subsequently secured the passage of legislation providing for an increase of \$5,820 in federal Members' salaries: increasing them from \$49,180 to \$55,000.<sup>109</sup>

At a state level, just after Greiner's victory in March, the NSW parliamentary remuneration tribunal began its own annual hearings into state MPs' salaries. In late July, Slattery produced a report which, as the *Daily Telegraph* remarked, "ignored the current wave of wage restraint and awarded MPs. . . rises of nearly 11 per cent." Backbenchers' salaries increased from \$43,620 to \$48,750, and electoral allowances were increased from between \$15,343 to \$27,221, to between \$16,180 up to \$31,359. Slattery presented, as his reason for advising the increases, the view that "capable people" would not enter politics if salaries were not upheld. The rise made the NSW premier the highest paid premier in Australia. Backbenchers equally welcomed the increases. Bob Roberts (Liberal Party MP for Cessnock) declared that "I've found I've dipped into my own pocket for everything." Bob Martin (ALP MP for Port Stephens) commented that "I'm no richer now than I was last Christmas – maybe a couple of grand behind." Union representatives, however, reacted adversely to the increases. John Cahill (assistant general secretary of the Public Service Association of NSW) remarked that "The government is telling everyone to pull in their belts then MPs receive a pay rise over and above the [national] wage decision."<sup>110</sup>

In 1989, as the federal parliamentary remuneration tribunal resumed its deliberations, Hawke found himself still confronted with the issue of the tribunal's original determination (in November 1988) that federal Members' salaries should increase by 36%. Consequently Hawke asked the tribunal to reconsider the question of awarding the rest of the 36%. In its annual report, tabled in federal parliament in December 1989, the tribunal reluctantly

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<sup>109</sup> Mike Secombe, "MPs Put in for \$7,000 Pay Rise" in the *SMH*, 12 May 1988; Geoff Kitney and Pamela Williams, "Hawke Fails to Budge MPs over Pay Rise" in the *Australian Financial Review*, 29 November 1988; Mike Secombe, "Hawke Says No to MPs' Pay Rise" in the *SMH*, 26 November 1988; Mike Secombe, "Politics Forgotten in the Chase for the Dollar" in *ibid.*, 2 December 1988; "MPs Wait for Ruling on Pay" in the *Daily Telegraph*, 16 December 1988; Pilita Clark, "Halfpenny Sees Strife Over Rise for MPs" in the *SMH*, 27 December 1988; Michael Millett, "MPs' Pay Rises Still On, Unless Govt Acts Soon" in *ibid.*, 7 August 1989.

<sup>110</sup> Peter Grimshaw, "Pay War as MPs Grab \$5,000 Rise" in the *Daily Telegraph*, 19 August 1988; Louise Boyles, "NSW Politicians Given Pay Rise" in the *Australian Financial Review*, 19 August 1988; Trish Croaker, "We're Worth Pay Rise: MPs" in the *Newcastle Herald*, 20 August 1988; *Daily Mirror*, 18 August 1988, p.2; Megan Timmins, "Unions Blast MP Pay Rise" in *ibid.*, 19 August 1988.

agreed to Hawke's request.<sup>111</sup>

Meanwhile, in NSW, the state parliamentary remuneration tribunal recommenced its annual hearings into state Members salaries. In July a number of MPs presented a submission to the tribunal, calling for a rise in their salaries. Ernest Keegan (recently elected Independent MP for Newcastle) stated that "I'm not complaining, because I enjoy my job, but I'm yet to come across a politician who would save much from his salary." John Price (ALP MP for Waratah) was reported, according to the *Newcastle Herald*, as saying that "he had had to subsidise his electoral activities by a few thousand dollars from his base salary over the last two years because his [electoral] allowance was not enough to cover the costs."<sup>112</sup> In late July, Slattery once more delivered his findings: determining a rise of \$5,750, increasing NSW Members' salaries from \$48,750 to \$54,500 and determining an increase in electoral allowances from between \$16,180 to \$31,359, to between \$17,385 up to \$33,696. The premier endorsed the rise, declaring that "the increase is completely in line with what everyone else is getting". However, Slattery's determinations brought further criticisms from the trade union movement. The secretary of the NSW Labor Council (Michael Easson) declared that "I would urge that there be moves by both Labor and the government parties to delay the implementation of these decisions".<sup>113</sup>

More significantly in December 1989, Greiner introduced legislation to peg the salaries of state MPs to that of federal Members. Greiner secured the repeal of the original *Parliamentary Remuneration Tribunal Act 1975* and obtained passage of the *Parliamentary Remuneration Act 1989*. Section 4 of the Act provided that the basic salary for a member of the NSW parliament would be the amount of the annual allowance by way of salary payable to a member of the House of Representatives less \$500.

From July 1990 onwards therefore (when the legislation became due to take effect), the salaries of state MPs essentially dovetailed with those of federal MPs: albeit with a reduction of \$500. At the beginning of 1990, the federal parliamentary remuneration tribunal commenced its seventeenth adjudication of MPs' salaries. In the middle of the year the tribunal produced its findings: determining an increase of 17.8 per cent in federal Members' salaries and electoral allowances. The tribunal also determined that federal MPs have the option of use of a Commonwealth car, provided they took a cut of \$6,000 in their electoral allowances. Hawke, however, persuaded the federal ALP caucus to accept this rise in staggered amounts. Under the first stage of the increase, federal Members' salaries rose from \$55,000 to \$58,300.<sup>114</sup>

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<sup>111</sup> Milton Cockburn, "Why the Idea of an MP Pay Rise is Provocative" in the *SMH*, 29 September 1989; Michael Millett, "MPs Miss Out on Christmas Pay Increase" in *ibid.*, 22 December 1989.

<sup>112</sup> Amy de Lore, "Hunter MPs Support Push to Raise Salaries" in the *Newcastle Herald*, 28 July 1989.

<sup>113</sup> "Big Pay Rises for Ms, Politicians" in the *SMH*, 9 September 1989; "\$3,000 a Week and I'm Worth It: Greiner" in the *Telegraph*, 11 September 1989; Peter Grimshaw, "Pollies Vote for \$100 Weekly Rise" in the *Daily Telegraph*, 5 December 1989.

<sup>114</sup> "MPs Get \$67 Pay Rise" in *The Australian*, 31 December 1990.

In the first half of 1990, Slattery commenced the NSW tribunal's sixteenth adjudication of state MPs' salaries. However, with state MPs' salaries now due to be linked by law to those of federal MPs, the situation became, as Bernard Lagan described it in the *SMH*, that

NSW members of parliament will automatically reap the benefit of the federal MPs' salary increases. . . NSW backbench MPs are paid a base salary of \$54,500. . . The federal ruling will push up the base salaries of NSW backbenchers to \$64,268 by July 1991 – an increase of \$9,768. The NSW MPs' salary increases will be staggered over the same time frames as those of their federal colleagues. . . NSW backbenchers will not, at this stage, have the option of access to a state government car.<sup>115</sup>

In June 1990, Slattery produced his findings: determining that state Members' salaries rise from \$54,500 to \$57,800. He also determined that electoral allowances for members in city electorates should increase from \$17,385 to \$20,549, and that electoral allowances for members in country electorates rise from \$29,205 to \$41,275. Slattery decided on increases in electoral allowances, for MLCs, of \$25,790.<sup>116</sup>

During 1991 federal Members not only received the next instalments of their staged salary increase from the federal parliamentary remuneration tribunal's 1990 recommendations, but Hawke introduced legislation to formalise the request, that the ALP had made in its submission to the federal parliamentary remuneration tribunal in 1988, that from 1 July 1991 federal MPs salaries would be linked to those of public servants at the lowest level of the Senior Executive Service of the Commonwealth Public Service. From the beginning of 1991 a federal backbencher's salary was increased to \$61,798 and then, from July 1991, it was increased to \$64,768.<sup>117</sup>

At a state level, with NSW MPs' remuneration pegged to the same level as federal MPs (minus \$500), NSW backbenchers received a salary from 1 July 1991 of \$64,268. Slattery also determined that electoral allowances for members of the lower house should increase from \$20,549 to \$21,600 for city members, and up to \$45,200 for MPs living in country areas. Electoral allowances for MLCs were increased from \$25,790 to \$30,200. MPs from the electorates of Ballina, Coffs Harbour, Cessnock and Hawkesbury were given a 16% increase in electoral allowances to compensate for extra expenses. Country MPs were additionally benefited for staying overnight in Sydney due to late night parliamentary sittings or committee meetings: through either accepting extra allowances of between \$11,700 and \$18,200 or taking a daily allowance of \$130 for every night's accommodation

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<sup>115</sup> Bruce Jones, "Pay Debacle – MPs Fear Missing Out" in the *Sun Herald*, 24 March 1991; Bernard Lagan, "State MPs Will Receive Automatic Pay Rises" in the *SMH*, 2 June 1990; Michael Millett and Brad Norrington, "Pay Rise, Free Cars for All Federal MPs" in *ibid.*, 1 June 1990;

<sup>116</sup> Peter Grimshaw, "NSW Pay Jumps As Public Charges Soar" in the *Daily Telegraph*, 1 June 1990; Jeni Cooper, "MPs Get Extra \$12,000 for Travel" in *The Australian*, 26 June 1990.

<sup>117</sup> "Hawke to Get \$7,700 Pay Rise" in the *Telegraph Mirror*, 20 June 1991.

away from home, for a maximum of 140 stays.<sup>118</sup>

At the end of end of 1992, with Paul Keating currently Prime Minister, federal Members' salaries rose to \$67,715 through gaining the first 2% of a 4.9% increase awarded to Commonwealth public servants: 2% to be paid in December 1992, a 1.4% "economic adjustment" to received in March 1993 and the remaining 1.5% to be paid in March 1994.<sup>119</sup> In March 1993 federal Members received their 1.4% increase: taking the salaries of backbenchers to \$68,663.<sup>120</sup> The base salary of NSW MPs consequently rose to \$68,163. Meanwhile the federal parliamentary remuneration tribunal commenced its twentieth hearings into federal MPs salaries. Ted Mack, Independent MP for North Sydney made a submission to the tribunal in which, according to the *SMH*, he wrote that "the tribunal's practice of topping up MPs' salaries with a range of benefits such as expense allowances, superannuation, free domestic travel and the like was deceiving the public about the true costs of remuneration." He added, in his submission, that "This flowed from a lack of transparency in total remuneration and the increased expansion in recent years of many additional benefits out of proportion to the average income and the endless controversies made about misuse of unlimited benefits e.g. postage stamps, travel costs, gold passes, travelling allowances."<sup>121</sup>

A year later, federal Members received the 1.5% increase, as the last part of the 1992 Commonwealth Public Service increase, taking their salaries to \$69,693 and NSW MPs' salaries (in March 1994) to \$69,193. Again the rises provoked a hostile reaction from union representatives. Janet Good, the head of the Public Service Association (PSA) of NSW, declared that the increase was "outrageous" because MPs were obtaining it without increasing productivity or efficiency. Meanwhile the federal parliamentary remuneration tribunal (now chaired by Professor Stuart Harris) had sat through the first half of the year and, at the end of June 1994, produced its findings: determining that, because the SES of the Commonwealth Public Service had been provided with performance-based pay rises in July 1993 (allowing them to receive bonuses of up to \$10,000 for exceptional work), federal MPs had been disadvantaged by the shift in relativities. Harris remarked in his report that "the Australian egalitarian tradition would argue for remuneration levels to parliamentarians not too far distant from those of the general community they represent." The tribunal then determined a substantial increase in federal Members' salaries, to \$74,460 and Keating proceeded with the enactment of the tribunal's determination. By January 1995, NSW backbench Members' salaries, as a consequence, had risen to \$73,960.<sup>122</sup>

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<sup>118</sup> *NSW Parliamentary Papers*, 1991-1992, vol.12.

<sup>119</sup> Brad Crouch, "Pay Rise for MPs" in the *Sunday Telegraph*, 20 December 1992; "Federal MPs to Get New Wage Increase" in the *Telegraph Mirror*, 24 February 1993. .

<sup>120</sup> "Federal MPs To Get New Wage Increase" in the *Telegraph Mirror*, 24 February 1993.

<sup>121</sup> Michael Millett, "Caucus Seeks Canberra Allowance" in the *SMH*, 2 August 1993.

<sup>122</sup> "MPs Reap as Nation Sacrifices" in the *Telegraph Mirror*, 17 January 1994; Michael Millett, "Federal MPs Get \$5,000 Pay Rise" in the *SMH*, 1 July 1994; Laura Tingle, "Federal MPs Win \$5,000 Pay Rise" in *The Australian*, 1 July 1994.

*Salaries of NSW MPs: 1988-1994*

	Premier	Minister	Member of LA	Member of LC
July 1988	\$96,946	\$82,869	\$48,750	\$48,750
July 1989	\$101,070	\$91,007	\$54,500	\$54,500
July 1990	\$112,710	\$96,526	\$57,800	\$57,800
July 1991	\$125,323	\$107,328	\$64,268	\$64,268
March 1993	\$132,918	\$103,832	\$68,163	\$68,163
July 1994	\$134,926	\$115,552	\$69,193	\$69,193
January 1995	\$145,637	\$124,511	\$73,960	\$73,960

## 4.2 MPs' Superannuation

At a federal level, the issue of Members taking a parliamentary pension, on leaving parliament, and then subsequently receiving an income from a new job, continued to be focused upon in the press. In November 1988, David Evans, writing in the *Daily Mirror*, remarked that "former Labor Senator Susan Ryan. . .collected a golden handshake of \$125,000 when she left parliament in January. Now she's working for the Cain Labor government in Victoria for \$450 a day".<sup>123</sup>

At a state level, the Greiner government's own Commission of Audit (quickly appointed to place Greiner's new stamp on state politics) itself acknowledged some of the anomalies in the NSW parliamentary superannuation scheme when it began advocating changes to the superannuation scheme for public servants. The Commission noted that the 1986-1987 report of the NSW Auditor General had commented on the possibility of the following scenario occurring: "A member of parliament retires on a pension of \$20,000 a year, half of which he commutes to a lump sum and receives \$100,000. The pension benefit is then reduced to \$10,000. If parliamentary salaries were to rise by 10%, the \$10,000 pension would increase not by 10% of \$10,000, but by 10% of the original pension of \$20,000. The new pension would therefore be \$12,000 not \$11,000 as might be expected."<sup>124</sup> Meanwhile the press continued to highlight instances of former MPs collecting parliamentary pensions and then being appointed to government jobs.<sup>125</sup>

In 1992 the Fahey government announced that it would review the state parliamentary superannuation scheme. In July 1994, a spokesperson, acting on behalf of the chairman of

<sup>123</sup> David Evans, "Nice Work If You Can Get It" in the *Daily Mirror*, 30 November 1985.

<sup>124</sup> The report of the NSW Auditor General for 1986-1987 (part II, p.169) had stated that "Part of a member's. . .pension can be commuted for a lump sum payment at a rate of ten times the amount of annual pension entitlement so converted. A [parliamentary] pensioner who commutes, continues to receive automatic increases on the pension entitlement which was converted to a lump sum." See NSW Commission of Audit, *Focus on Reform: Report on the State's Finances* (NSW Government, Sydney, 1988), p.28.

<sup>125</sup> "Sweet Cop" in the *Sunday Telegraph*, 16 April 1989.

the trustees of the parliamentary contributory superannuation fund, announced that the report had been completed.<sup>126</sup>

### 4.3 MPs' Facilities

In 1990, in the sixteenth report of the NSW parliamentary remuneration tribunal, Slattery made a further addition, to the benefits available to state Members, when he determined that MPs who use overnight accommodation, away from parliament house, also be offered a "special allowance" of up to \$16,000 a year.<sup>127</sup> Slattery also, while not endorsing the suggestion of the federal parliamentary remuneration tribunal regarding the option of a Commonwealth car for federal Members, did however decide that the state government could buy cars and lease them to parliament house. MPs would then pay for the cars out of their electorate allowances. These cars would be free of sales tax.<sup>128</sup> By 1990 the number of air journeys available to country members had also increased. State MPs representing country seats were now entitled to 48 single air journeys within the state, and 12 single air journeys from NSW to another state, within the life of a parliament.<sup>129</sup> By late 1995 state MPs' entitlements to postage and stationery had risen to \$7,560 and \$3,000 per annum respectively. MPs had also become entitled to \$600 for printing.<sup>130</sup>

## 5 THE CARR GOVERNMENT 1995-2002

### 5.1 MPs' Salaries

During 1995 federal public servants in the SES of the Commonwealth Public Service received increases of 2 per cent in January, April and July. By July 1995 federal backbenchers' salaries had risen to \$78,987. Then in December the federal parliamentary remuneration tribunal determined further rises in federal MPs' electoral allowances, increasing them to between \$25,540 and \$37,035. Once more the Independent MP for North Sydney (Ted Mack) questioned the purpose of the increase stating, according to the *SMH*, that "it should either be paid as salary or upon production of receipts."<sup>131</sup>

In NSW, in March 1995, Bob Carr assumed the office of premier as the leader of an ALP government. As a consequence of the federal SES rises in January and April, by the middle

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<sup>126</sup> Sue Quinn, "NSW MPs \$6m Super Boost" in *ibid.*, 13 December 1992; Matthew Moore, "MPs' Payout Well Worth the Wait" in the *SMH*, 16 July 1994.

<sup>127</sup> Peter Grimshaw, "MPs Get \$12,000 Boost, New Car" in the *Daily Telegraph*, 26 June 1990.

<sup>128</sup> Matthew Moore, "Tribunal Clears Road for Cheap Cars for MPs" in the *SMH*, 21 August 1990.

<sup>129</sup> Adam Connolly, "Hard Yakka in the House" in the *Daily Mirror*, 3 September 1990.

<sup>130</sup> *Sun Herald*, 24 September 1995.

<sup>131</sup> Clarissa Bye, "MPs' Fourth Pay Rise This Year" in the *Sun Herald*, 19 November 1995.

of the year, salaries of state MPs has risen to \$76,938 per annum. In June, Justice Slattery presented the findings of his annual adjudication of state Members' entitlements: determining an increase in electoral allowances from between \$23,000 (for inner-city seats) to \$56,900 (for the seat of Broken Hill).<sup>132</sup> As ever, the rises prompted criticism from union representatives. Maurie O'Sullivan (president of the PSA) declared that, unlike Members, if public servants "want to get a rise they have to show productivity increases, they have to go before the Industrial Relations Commission and hire barristers and QCs."<sup>133</sup>

During 1996, the year that a Liberal Party government led by John Howard gained office in Canberra, state MPs continued to receive increases flowing from rises received by the SES of the federal public service. In October the SES gained the benefit of a 2 per cent increase, which flowed on to federal MPs and on to state Members. The salary of a New South Wales MP rose to \$81,356.<sup>134</sup> Electoral allowances meanwhile had been increased by the NSW parliamentary remuneration tribunal (now in the form of retired NSW Supreme Court Judge Jeremy Badgery-Parker) to between \$24,100 and \$59,200.<sup>135</sup>

During 1997 and 1998, John Howard did not pursue further increases for federal MPs, but then, in late 1999, he canvassed a new level for federal Members' salaries: raising the base level for a federal MPs' salary to the salary structure for what would become the Principal Executive Officer (PEO) range in the federal public service. During October the Senate proceeded to essentially approve this suggestion. At the end of the year, in December, the federal parliamentary remuneration tribunal - now formed of Richard Humphry (managing director of the Australian Stock Exchange), Richard Conde (then chairman of 2UE) and Trevor Kennedy (director of Australian Consolidated Press from 1973-1991) - formally determined salary increases corresponding to the Howard government's proposals. A backbench member of federal parliament would now receive a base salary of around \$90,000. Half the increase would be paid immediately, and the other half at the beginning of financial year 2000-2001. The tribunal also determined that Members receive an increase every 1 July, based on the rise in average weekly earnings. The only dissenting opinion in the federal parliament was that of the Independent MP Peter Andren, who suggested that MPs' salaries should not rise faster than average weekly earnings. On 1 July 2001 the salaries of federal backbenchers rose to \$92,000 and, with the remuneration tribunal subsequently granting a 3.9% increase to PEOs, their salaries rose again to \$95,600 per annum. Federal Members on both side of politics generally supported the increases. Mark Latham, federal MP for Werriwa, linked the salary rise to public perceptions of MPs' superannuation arrangements: declaring that "I think the public would have more respect for Members if we increased our upfront salaries, and then set up a superannuation scheme

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<sup>132</sup> Nathan Vass, "MPs' Pay Too Low to Ensure Quality" in the *SMH*, 4 October 1995.

<sup>133</sup> Michael Cameron, "\$1,400 Pay Rise for Our MPs" in the *Telegraph Mirror*, 8 June 1995; Frank Walker, "\$100,000 MPs" in the *Sun Herald*, 27 August 1995.

<sup>134</sup> "Public Servants, MPs Get 2 pc Rise" in the *Sunday Telegraph*, 27 October 1996.

<sup>135</sup> *NSW Parliamentary Papers*, 1996-1997, vol.8. See also Mark Riley, "Changes Mean a Super Bonus for MPs" in the *SMH*, 10 January 1998; Mark Riley, "Tax Office Destroys MPs' Excuse for Jump in Super" in *ibid.*, 21 January 1998.

which was available to the rest of the community”.<sup>136</sup> In mid-2002 the federal parliamentary remuneration tribunal recommended an increase for PEOs that would take their salary to \$98,800. This would increase the basic salaries of federal Members to the same amount.<sup>137</sup>

At a state level, the Howard government’s increases for federal MPs flowed on to NSW MPs (minus \$500) with state Members receiving \$85,000 from January 2000 and \$89,500 from July 2000. State Members also received a percentage increase flowing from the more recent form of the previous national wage cases: taking their salary to \$91,500.<sup>138</sup> During the second half of 2001, with the salaries of federal Members rising to \$95,600, the salaries of state MPs increased to \$95,100. In 2002, with the salary increases recommended by the federal parliamentary remuneration tribunal, the flow-on to NSW MPs would mean a rise in the salary of a state backbencher to \$98,300.<sup>139</sup>

Meanwhile, in mid-1998, the Carr government obtained passage of the *Parliamentary Remuneration Amendment Act 1998* which not only provided that the NSW parliamentary remuneration tribunal could make determinations on allowances and other entitlements but, through new subsections 2A(d) and 10(1), endorsed the provision of allowances and entitlements for the purpose of facilitating the performance of MPs or parliamentary office holders. The legislation also provided that, where a vacancy for the tribunal arises in the future, the president of the Industrial Relations Commission (IRC) would appoint a judicial member of the commission as the tribunal. Finally the legislation provided, via sub-section 13(5), that the tribunal should seek the written advice of the secretary of the Treasury as to the implication of its determinations on the finances of the state.

In mid-1999 the NSW parliamentary remuneration tribunal (now formed of retired NSW Supreme Court Judge Brian Sully) produced a report in which it determined an overall increase in MPs’ allowances to \$96,000. Under the provisions of the new amendments to the legislation governing the operations of the tribunal, Sully was obliged to forward his determinations to Treasury for an opinion on their financial implications, and Treasury responded negatively. Sully then resigned and was replaced by Justice Michael Walton, vice-president of the Industrial Relations Commission. In late December 1999, Walton determined that electoral allowances be increased from \$29,815 to \$61,260. He also made new determinations under which MPs would have to provide receipts for electoral allowance funds expended, and refund unused money to the Treasury. However during

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<sup>136</sup> Mark Metherell, “Fahey Pushes for \$16,000 MP Pay Rise” in the *SMH*, 15 October 1999; Richard McGregor, “MPs’ Pay Rise ‘Reasonable’” in *The Australian*, 16 October 1999; Richard McGregor and Wayne Adams, “One Thing All Politicians Agree On: A 10pc Pay Rise” in *ibid.*, 8 December 1999; Mike Secombe, “MPs’ Pay Award: Let Them Earn It” in the *SMH*, 9 December 1999; Laura Tingle, “Call for Workers to Benefit Too” in *ibid.*, 9 December 1999; Jason Koutsoukis, “MPs Back Proposed Changes to Super” in the *Australian Financial Review*, 28 June 2001; Alan Ramsey, “Guess Who Just Got a Pay Rise – and Who Pays for It” in the *SMH*, 4 August 2001.

<sup>137</sup> “Coming Soon: It’s The \$100,000-A-Year Backbencher” in the *SMH*, 31 July 2002, p.2.

<sup>138</sup> Frank Walker, “Another Pay Rise for MPs” in the *Sun Herald*, 2 July 2000.

<sup>139</sup> “All in the Timing” in the *Sun Herald*, 23 June 2002.

2000 state members argued that the new rules for allowances were too complicated. Moreover during the course of the year Walton received advice that, while he could determine the level of allowances, he could not prescribe for substantiation of expenditure.<sup>140</sup> During 2001, Walton, who continued as the NSW parliamentary remuneration tribunal, determined further increases in electoral allowances for members of the Legislative Assembly: from \$32,615 for city electorates to a maximum of around \$67,000 for country electorates. Electorate allowances for MLCs were determined at around \$36,000.<sup>141</sup>

*Salaries of NSW MPs: 1995-2002*

	Premier	Minister	Member of LA	Member of LC
April 1995	\$150,029	\$128,486	\$76,938	\$76,938
October 1996	\$158,644	\$135,865	\$81,356	\$81,356
January 2000	\$165,750	\$141,950	\$85,000	\$85,000
July 2000	\$178,425	\$152,805	\$91,500	\$91,500
August 2001	\$185,445	\$158,817	\$95,100	\$95,100
July 2002	\$191,685	\$164,161	\$98,300	\$98,300

## 5.2 MPs' Superannuation

Bob Carr, not long after his 1995 election as the premier of a new ALP state government, oversaw the passage through parliament of further changes to the legislation governing state MPs' superannuation. According to an article which later appeared in the *Sunday Telegraph* in 1996, "MPs voted late last year to scrap laws which denied NSW parliamentarians a payout from their lucrative state scheme, if they were elected to federal parliament. The new laws give new federal MPs the choice of transferring money to the federal scheme, or receiving two pensions when they retire." The press invited comment from analysts in the field: Daryl Dixon commenting, according to the *Sunday Telegraph*, that "the NSW scheme was much more generous than private sector funds available to average workers."<sup>142</sup>

In 1996, in his annual report to parliament, the NSW Auditor General (Tony Harris) added his voice to previous calls for a review of the NSW parliamentary superannuation scheme, stating that "taxpayer contributions add approximately 42 per cent to the gross remuneration of a member of parliament. That is, by a large factor, greater than the

<sup>140</sup> David Humphries, "MP Cash Bonanza Dumped" in the *SMH*, 29 June 1999; Nathan Vass, "Retired MPs Get Pay Rise" in the *Sunday Telegraph*, 19 December 1999; Kelvin Bissett, "Crackdown on MPs' Benefits" in the *Daily Telegraph*, 23 December 1999; Geesche Jacobsen, "MPs' New Rules Caught in Red Tape" in the *SMH*, 2 August 2000; David Penberthy, "MPs Get to Keep Cash" in the *Daily Telegraph*, 11 December 2000.

<sup>141</sup> Geesche Jacobsen, "MPs' Allowances Raised in Wake of Pay Rise" in the *SMH*, 15 September 2001; Kelvin Bissett, "More Money for MPs' Perks" in the *Daily Telegraph*, 15 September 2001; Andrew West, "Call for MPs to Earn Pay Rise" in the *Sun Herald*, 16 September 2001.

<sup>142</sup> John Larkin, "NSW Politicians Boast Best Pay" in the *Sunday Telegraph*; 8 September 1996; "MPs Feather Their Nest Nests" in *ibid.*, 22 September 1996.

minimum level required under the superannuation guarantee levy". A year later, in his 1997 annual report to parliament, Harris again criticised the scheme as "expensive and anachronistic".<sup>143</sup> Meanwhile other states were beginning to reconsider their superannuation schemes. After his election to the Western Australian state parliament, in 1996, ALP MP Alan Carpenter made a maiden speech calling for changes to state parliamentary superannuation arrangements. According to Matt Price, writing in the *The Australian*, "The speech sparked an inquiry that found the state's parliamentary superannuation scheme to be inequitable, discriminatory and over generous."<sup>144</sup>

Comments continued to be made in the press, during 1997, about federal MPs departing parliament with substantial pensions, and accepting paid positions not long after they had left. At the same time, the Senate Select Committee on Superannuation held an inquiry into the federal parliamentary superannuation scheme. The committee's report concluded that the scheme was at variance with other superannuation schemes prevailing in the wider community. Despite the committee's observations, however, the Howard government decided against fundamental changes to federal arrangements for MPs' superannuation.<sup>145</sup> In early 1998 a storm erupted in the press over changes to NSW parliamentary arrangements: amendments to the legislation agreed to by the state treasurer and Liberal MLC John Hannaford and moved in the Legislative Council by Independent Richard Jones in early December 1997. As Mark Riley described the changes in the *Sydney Morning Herald*, "The new system adds the MPs' minimum electoral allowance (now \$24,100) as part of their 'salary' at the appropriate level for each year of service, significantly raising the amount upon which their super is determined." After adverse comment in the press, in early January, the NSW Auditor General announced that he might examine the arrangements for state Members' superannuation. In mid-January the premier described the amendments to state MPs' superannuation arrangements as a "stuff-up" and the treasurer described them as a "monumental mistake". In April 1998 the Government introduced legislation which passed into law to repeal the amendments of the previous December.<sup>146</sup>

At the time of the March 1999 NSW state election, the NSW premier (Bob Carr) declared

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<sup>143</sup> Karen Maley, "Call for Review of NSW MPs' Super" in the *Australian Financial Review*, 20 January 1997; Ben English, "Taxpayers Fill \$40m MP Super Gap" in the *Daily Telegraph*, 28 November 1997.

<sup>144</sup> Matt Price, "MP Puts His Money Where His Mouth Is" in *The Australian*, 2 December 1999.

<sup>145</sup> Peter Andren, "MPs' Entitlements 'A Joke'" in the *Daily Telegraph*, 11 October 2000. See also Senate Select Committee on Superannuation, *The Parliamentary Contributory Superannuation Scheme and the Judges' Pension Scheme*, 25<sup>th</sup> report of the Senate Select Committee on Superannuation (Parliament of the Commonwealth of Australia, Canberra, 1997).

<sup>146</sup> Mark Riley, "Changes Mean a Super Bonus for MPs" in the *SMH*, 10 January 1998; Ben English and Kelvin Bissett, "MPs Face Inquiry into Pension Deal" in the *Daily Telegraph*, 13 January 1998; David Nason, "Egan Plays Fall Guy for Colleagues' Super Grab" in *The Australian*, 16 January 1998; Frank Walker, "How the Deal Was Done" in the *Sun Herald*, 18 January 1998; "MPs Move to Give Back Super Increase" in the *Daily Telegraph*, 29 April 1998; *NSW Parliamentary Debates*, 23 June and 1 July, 1998.

that “We want the entitlements of MPs to reflect those of every person living in NSW.” The then leader of the opposition (Kerry Chikarovski) added that, if the Liberal Party-National Party coalition became elected, “We would make sure they can take it at 55 like the rest of the community.”<sup>147</sup>

Towards the end of the year, the re-elected Carr government obtained passage of the *Parliamentary Contributory Superannuation Amendment Act 1999* providing that, in the case of any new member elected to the NSW parliament, he or she would have to generally wait until the age of 55 before they could access their parliamentary pension. In 2001 the Howard government likewise decided to amend the federal parliamentary superannuation scheme to provide that the minimum age for receipt of benefits be raised to 55. As with the legislation passed in NSW in 1999, sitting federal MPs would be exempt from the new arrangements.<sup>148</sup>

### 5.3 MPs’ Facilities

In his 1995 adjudication of MPs’ salaries, Justice Slattery recommended increasing the number of nights, spent on parliamentary business travel around NSW, for which remuneration for overnight accommodation could be provided: advising the number of overnight stays in this category be increased from 25 to 35 nights.<sup>149</sup> In 1998 the Independent MP for Manly, Peter McDonald released the handbook of NSW MPs’ entitlements: *A Guide to Members’ Entitlements, Facilities and Services*.<sup>150</sup> By 2001, individual financial provisions for additional facilities – such as postage, home telephone bills, printing, stationery, parking and personal websites – had been grouped into a “logistical support allocation” which, by late 2001 (under the mid-year determinations of the NSW parliamentary remuneration tribunal) had been increased from \$25,340 for a city MP to \$32,410 for country Members.<sup>151</sup> Three years later, in addition to the broader categories of entitlements mentioned above, state MPs continued to be eligible for a range of minor entitlements: such as free entry passes to NSW national parks, and free entry to the Royal Easter Show, Taronga Zoo, the Sydney Turf Club and events at the Sydney Cricket Ground.<sup>152</sup>

In early 2002 the premier made representations to the current NSW parliamentary remuneration tribunal (Justice Roger Boland of the NSW IRC) that members of the

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<sup>147</sup> Damien Murphy, “Both Sides Vow to Fix MPs’ Super” in the *SMH*, 22 March 1999.

<sup>148</sup> Jim Dickins, “New MPs Must Wait for Pension” in the *Daily Telegraph*, 11 November 2001.

<sup>149</sup> Michael Cameron, “\$!,400 Pay Rise for Our MPs” in the *Telegraph Mirror*, 8 June 1995.

<sup>150</sup> Editorial in *ibid.*, 13 April 1998.

<sup>151</sup> Kelvin Bissett, “More Money for MPs’ Perks” in the *Daily Telegraph*, 15 September 2001; Andrew West, “Call for MPs to Earn Pay Rise” in the *Sun Herald*, 16 September 2001.

<sup>152</sup> David Penberthy, “Public Paying for MPs’ Park Perks” in the *Daily Telegraph*, 25 April 2001; David Penberthy, “An Embarrassment of Perks They Can’t Let Go” in *ibid.*, 18 May 2001.

Legislative Assembly be able to regularly communicate with their constituents and that the current allocation was insufficient for such purposes. Up till then, backbench MPs had had an entitlement of \$6,360 to cover printing. Subsequently Justice Boland determined a new allowance for Members in the Legislative Assembly: an electorate mailout account, ranging from \$55,000 to \$70,000. Furthermore MPs in the Legislative Assembly would get a pro-rata increase for the current financial year of half the annual increase: bringing the electoral mailout account, for some backbench MPs, to \$105,000. Morris Iemma, Minister for Public Works, stated that the electorate mailout account was a valid request because federal backbenchers now received \$125,000 a year for printing and postage.<sup>153</sup>

#### 5.4 MPs' Travel

During 1998 and 1999 instances of misuse of parliamentary travel entitlements featured prominently in the press: at both a federal and a state level. In 1998 the Independent Commission Against Corruption (ICAC) commenced public hearings into alleged misuse of travel warrants by state MPs. In its report on the matter, the ICAC concluded that Brian Langton MP, while an opposition member during 1994, had improperly used air travel warrants obtained from six colleagues.<sup>154</sup> During 1999 two federal members of parliament, National Party MP Michael Cobb and Liberal Party Senator Robert Woods, were found guilty in the ACT Supreme Court of fraudulent travel claims.<sup>155</sup> At a state level the NSW parliamentary remuneration tribunal recommended that the current system of warrants for travel be abolished and that state MPs should receive an annual transport allowance, ranging from \$3,500 to \$30,000 depending on the size of the electorate.<sup>156</sup>

In a 1999 report monitoring the implementation of ICAC's recommendations for change to administration of MPs' allowances and entitlements, Commissioner Barry O'Keefe said '...the principal officers and administration of the Parliament have shown strong interest in implementing the second report's recommendations and significant progress has been made... While it is clear that some of the recommendations will take more time to consider and that progress has been significantly hampered by factors beyond the control of the principal officers and their administration, the Commission is encouraged by the results achieved so far...'<sup>157</sup>

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<sup>153</sup> Robert Wainwright, "Dear Voter, That'll Cost \$5.5m Extra" in the *SMH*, 11 May 2002; Monica Videnieks, "MP Cash Rise for Mail Drop" in *The Australian*, 11 May 2002; Scott Tucker, "State MPs Land Printing Windfall" in the *Newcastle Herald*, 11 May 2002; Robert Wainwright, "Cashed-Up MPs Want Your Vote in the Mail Bag" in the *SMH*, 16 May 2002.

<sup>154</sup> Matthew Rogers, "End of Secrecy" in the *Sunday Telegraph*, 10 October 1999.

<sup>155</sup> Gerard Henderson, "The Rorters Caught in the ACT" in the *SMH*, 22 June 1999.

<sup>156</sup> David Humphries and Mark Robinson, "Payback Call on MPs' Allowances" in *ibid.*, 23 December 1999.

<sup>157</sup> ICAC, "Monitoring report on the implementation of recommendations relating to the administrative systems operating within the NSW Parliament", November 1999.