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## The base salary for senators and members: 2014 update

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### Contents

|   |          |
|---|----------|
| <b>Introduction.....</b>  | <b>2</b> |
| <b>Constitutional and legislative basis for payment.....</b>                                      | <b>2</b> |
| <b>Remuneration Tribunal.....</b>   | <b>2</b> |
| <b>Parliamentary base salary—a brief history .....</b>  | <b>2</b> |
| 1901–1973.....  | 2        |
| Remuneration Tribunal .....   | 3        |
| Reference Salary—under the PEO Classification.....  | 4        |
| 2011–present .....  | 4        |
| <b>Percentage increases in the base salary from 1996 .....</b>                                    | <b>5</b> |
| <b>Increases in the parliamentary base salary compared with average wages<br/>from 1968 .....</b> | <b>6</b> |

## Introduction

Senators and members receive an annual allowance by way of basic salary—\$195,130 from 1 July 2014.<sup>1</sup> This research paper explains the legislative basis, fixing and linking mechanisms for the allowance. Adjustments to the base salary since 1968 are provided in Table 1 and Graph 1.

Information on the base salary of state and territory members of parliament is available in a companion Research paper, [Parliamentary remuneration and entitlements](#).

## Constitutional and legislative basis for payment

Section 48 of the [Constitution](#) provides for the payment of Members of Parliament:

Until the Parliament otherwise provides, each senator and each member of the House of Representatives shall receive an allowance of four hundred pounds a year, to be reckoned from the day on which he takes his seat.

Since 1901, the Parliament has enacted legislation to define the parliamentary base salary for the purposes of Section 48 of the *Constitution*.

The *Remuneration and Allowances Act 1990* defines a parliamentary allowance which is consistent with the arrangements whereby the Remuneration Tribunal determines the remuneration of parliamentarians.<sup>2</sup> Section 8 provides that salaries and allowances are to be paid out of the Consolidated Revenue Fund.

Section 8A of the *Remuneration and Allowances Act 1990* allows the Governor-General to make regulations necessary to give effect to the Act. [Remuneration and Allowances Regulations 2005](#) are now in force.

## Remuneration Tribunal

The [Remuneration Tribunal](#) is an independent statutory body established by the [Remuneration Tribunal Act 1973](#). This legislation allows the Tribunal to inquire into and determine allowances paid out of consolidated revenue to senators and members.<sup>3</sup> The Tribunal's [Report 1999/01](#) states that 'the Government can choose to accept or reject the Tribunal's advice on these matters ...'.<sup>4</sup> In 1974 Parliament disapproved the Tribunal's determination increasing the base salary to \$20,000 per annum. In the decades since then Parliament has also modified determinations, postponed increases and enacted reduced allowances previously determined by the Tribunal as an example of wage restraint.<sup>5</sup>

The commencement of the [Remuneration and Other Legislation Amendment Act 2011](#) restores the power of the Remuneration Tribunal to determine parliamentary remuneration. The legislation also removes the power of the Parliament to disallow parliamentary remuneration determinations made by the Tribunal.

### The base salary for senators and members is \$195,130 per annum from 1 July 2014

The applicable Principal Remuneration Tribunal Determination is Determination 2014/10, [Members of Parliament—base salary, additional salary for parliamentary office holders, and related matters](#). The applicable regulations are [Remuneration and Allowances Regulations 2005](#), SLI 2005 No. 308

## Parliamentary base salary—a brief history

### 1901–1973

At the Constitutional Convention at Sydney in 1891, Sir Samuel Griffith said:

One of the first things to be done by the parliament of the commonwealth in its first session would be to settle the salaries of ministers, and a great number of other matters of that kind. We have, therefore, given them power to deal with this subject. We did not think it necessary to make this in any sense a payment of members bill. We lay

1. The choice of phrase to describe the allowance payable under Section 48 of the *Constitution* is a difficult one. 'Basic salary' is commonly used in an informal sense and serves to distinguish it from salaries paid to ministers and office-holders. The authors have chosen to use 'parliamentary base salary'. Federal parliamentarians are also entitled to other benefits and allowances described in legislation. See C Madden and D McKeown, [Parliamentary remuneration and entitlements](#), Research paper, Parliamentary Library, 2013.
2. See [Remuneration Tribunal Act 1973](#) s3 and s7(1), accessed 12 July 2013.
3. Remuneration Tribunal Act 1973, subsection 7(1).
4. Remuneration Tribunal, [Report on Senators and Members of Parliament, Ministers and Holders of Parliamentary Office—salaries and allowances for expenses of office—December 1999](#), Report 1999/01.
5. Remuneration Tribunal, *1982 Review*, pp. 18–21 and [Report 1999/01](#), op. cit., pp. 1–5.

down, however, the principle that they, are to receive an annual allowance for their services, and we thought that it should start in the first instance at £500.<sup>6</sup>

At the Adelaide Convention, however, the draft constitution bill debated specified an amount of £400 and this was the annual allowance subsequently enacted in the Constitution.<sup>7</sup>

In 1907 parliamentarians made themselves liable to the payment of State income taxes.<sup>8</sup> Tax concessions for electorate expenses were allowed from 1925.<sup>9</sup> In 1907 the Parliament also enacted the *Parliamentary Allowances Act 1907*, raising the base salary from £400 to £600.

Between 1901 and the establishment of the Remuneration Tribunal in 1973, Parliament adjusted allowances following decisions of executive government or as the result of recommendations from committees of inquiry.<sup>10</sup> In 1971 Justice Kerr noted that during this time there was ‘no fixed pattern of approach’ to the timing and method of reviewing base salaries—a process that invariably attracted criticism.<sup>11</sup> The Kerr Inquiry suggested the establishment of a ‘Salaries Tribunal ... authorised by legislation to review salaries and report at regular stated intervals.’

Kerr also wrote:

Nothing ... should prevent the Parliament or the Government from rejecting recommendations or from taking action not in accordance with what is recommended.<sup>12</sup>

### Remuneration Tribunal

From its establishment in 1973, the Remuneration Tribunal, using a range of evidence and indicators, determined the base salary with reference to second division officers of the Commonwealth Public Service.<sup>13</sup> Adjustments were then made by applying National Wage Case decisions. In 1979 the Government legislated to remove the Tribunal’s determination that these adjustments be automatic.<sup>14</sup>

In 1987 the Tribunal convened a conference for interested parties to examine parliamentarians’ salaries.<sup>15</sup> An independent review was consequently conducted for the Tribunal in 1988. The resulting report recommended increases based on work value and community pay standards. The review strongly recommended that there be no linkage between the base salary and Australian Public Service (APS) salaries.<sup>16</sup> Increases determined by the Tribunal at that time were deferred.

With the *Remuneration and Allowances Act 1990*, the Government removed the Tribunal’s power to determine base salaries and allowed a phased increase to the allowance over three years. The legislation also provided a link with Senior Executive Service (SES) Band 1 salaries in the APS—in contrast to the recommendation in the 1988 review. Adjustments to the base salary were made by means of national wage case decisions and, from 1992, agreements between the Government and public sector unions.

Legislation enacted in 1994 ensured that the base salary was equivalent to the minimum APS SES Band 2 salary level. The then *Workplace Relations Act 1996* enabled SES salaries to be set through individual Australian Workplace Agreements (AWAs), thereby removing the standard against which the base salary was determined.

6. S Griffith, *Official Report of the National Australasian Convention Debates*, Sydney, 2 April 1891, p. 654.

7. *Official Report of the National Australasian Convention Debates*, First Session, Adelaide, 22nd March to 23rd April 1897, pp. 1032–34.

8. [Commonwealth Salaries Act 1907](#), Act no 7 of 1907.

9. E Page, House of Representatives, [Debates](#), 4 June 1947, p. 3355. An Electorate Expense Allowance, not subject to income taxation, was paid from 1952.

10. Including—Report of the Committee of Enquiry into the Salaries and Allowances of Members of the National Parliament (Nicholas Report), 1952; Report of the Committee of Enquiry into the Salaries and Allowances of Members of the Commonwealth Parliament (Richardson Report), 1955; Report of the Committee of Enquiry into the Salaries and Allowances of Members of the Commonwealth Parliament (Richardson Report), 1959; Salaries and Allowances of Members of the Parliament of the Commonwealth: A Report of Inquiry by Mr Justice Kerr, (Kerr Report), 1971.

11. Mr Justice Kerr, *ibid.*, p. 12.

12. *Ibid.*, p. 16.

13. With the enactment of the [Public Service Reform Act 1984](#), the Second Division of the Commonwealth Public Service was replaced by the SES. See *Public Service Reform Bill 1984, Bills Digest*, no. 72, 1984, p. 2.

14. [Remuneration and Allowances Act 1979](#).

15. Remuneration Tribunal, *1987 Review*, pp. 5–12.

16. Cullen Egan Dell, Report on the pay and allowances for members of parliament: prepared for the Remuneration Tribunal, 1988, pp. 18–19.

With the expiry of the final APS Enterprise Agreement at the end of 1996, the mechanism by which adjustments were made to the base salary ceased.

Legislative changes to the APS in 1999, among other matters, amended the *Remuneration and Allowances Act 1990* and the *Remuneration Tribunal Act 1973*.

### Reference Salary—under the PEO Classification

In [Report 1999/01](#) the Tribunal recommended that the base salary be linked to a reference salary under the Principal Executive Office (PEO) Classification Structure.<sup>17</sup> The Government accepted this recommendation and introduced the [Remuneration and Allowances Regulations 2005](#) to create the link. The Regulations provide for the reference salary to be 100 per cent of the rate determined by the Remuneration Tribunal for Band A of the PEO Classification.

The Remuneration Tribunal's amending [Determination 2008/10](#) increased Reference Salary A in the PEO Classification by 4.3 per cent to \$132,530 from 1 July 2008. Consequently, for the purposes of the base salary in 2008–09, the Remuneration and Allowances Regulations reduced Reference Salary A by 4.3 per cent.

On 26 May 2008, the Rudd Government introduced the [Remuneration and Allowances Amendment Regulations 2008 \(No. 1\)](#) amending the [Remuneration and Allowances Regulations 2005](#) to freeze the base salary at \$127,060 per annum. Rather than 100 per cent of Reference Salary A, Regulation 5 described the percentage as:

#### ***Regulation 5 Remuneration and allowances of Senators and Members of the House of Representatives***

(2) For the financial year commencing on 1 July 2008, and for each subsequent financial year:

(a) the percentage is the percentage of the reference salary which, when applied to the reference salary, reduces the reference salary by the amount (in whole dollars) by which the reference salary was increased by the Remuneration Tribunal for the financial year commencing on 1 July 2008

For the purpose of calculating the base salary, Regulation 5 had the effect of reducing Reference Salary A in the PEO Classification by the percentage necessary to arrive at the rate payable at 30 June 2008, that is, \$127,060.

On 20 June 2011 the Remuneration Tribunal released [Determination 2011/11](#) Principal Executive Office (PEO) Classification Structure and Terms and Conditions which set Reference Salary A at \$146,380. On the basis described above, that is Reference Salary A less \$5470, the parliamentary base salary increased to \$140,910 with effect from 1 July 2011.

Under the [Remuneration Tribunal Act 1973](#), the Tribunal had wide scope to consider factors when reviewing the PEO Classification. The Tribunal indicated that these factors included: key economic indicators; other specific indicators such as the Wage Price Index; salary outcomes in the public (and to a lesser degree) private sector; the principles of wage determination and decisions of the Australian Industrial Relations Commission.<sup>18</sup>

### 2011–present

In 2009 an Australian National Audit Office (ANAO) report, *Administration of parliamentarians' entitlements by the Department of Finance and Deregulation*, highlighted shortcomings in the management of MPs' entitlements.<sup>19</sup> In September 2009, in response to the ANAO report, the Government set up a committee to review parliamentary entitlements, chaired by former senior public servant, Barbara Belcher.

In 2011 the Government accepted the recommendation of the [Report of the committee for the review of parliamentary entitlements](#) to restore the power of the Remuneration Tribunal to determine parliamentary base salary.<sup>20</sup> The legislation, the Remuneration and other Legislation Amendment Bill 2011, also removed the power of the Parliament to disallow parliamentary remuneration determinations made by the Tribunal. The Bill passed both Houses on 23 June 2011 and received assent on 25 July 2011, commencing on 8 August 2011.

17. The PEO classification structure provides a framework for the negotiation of the terms and conditions of PEO employment.

18. Remuneration Tribunal, [Explanatory Memorandum: Determination 2004/15 – Principal Executive Office \(PEO\) Classification Structure Terms and Conditions](#). WCI is a product of the Australian Bureau of Statistics. The Tribunal's [Report 1999/01](#) highlights some of the factors given consideration by the Tribunal during earlier deliberations.

19. Australian National Audit Office, [Administration of parliamentarians' entitlements by the Department of Finance and Deregulation](#), ANAO, 2009, accessed 12 July 2013.

20. [Report of the Committee for the Review of Parliamentary Entitlements](#) (the Belcher review), April 2010, p. 12, accessed 12 July 2013.

On 15 December 2011 the Remuneration Tribunal issued its initial report on the work value assessment of parliamentary remuneration.<sup>21</sup> The Tribunal also issued a Statement outlining its recommendations and next steps.<sup>22</sup> The main recommendations included:

on the basis of a work assessment of parliamentarians, that parliamentary base salary should be set at \$185,000

On 13 March 2012 the Tribunal issued the first Determination setting the base salary of \$185,000 for Members of Parliament to take effect from 15 March 2012.<sup>23</sup>

On 19 June 2012 the Tribunal issued Determination 2012/15: Members of Parliament – Base salary, entitlements and related matters which increased MPs' base salary by 3 per cent to \$190,550 from 1 July 2012.<sup>24</sup>

On 18 June 2013, the Tribunal issued Determination 2013/13: Members of Parliament – Base salary, additional salary for Parliamentary office holders and related matters which increased the base salary by 2.4 per cent to \$195,130 from 1 July 2013.<sup>25</sup>

In its 2014 [Annual review of Remuneration for Holders of Public Office](#), the Remuneration Tribunal determined that there would be no annual adjustment to remuneration for offices in its jurisdiction from 1 July 2014 for one year. This includes parliamentarians and office holders as well as other principal executive offices.<sup>26</sup> Determination 2014/10 *Members of Parliament—base salary, additional salary for parliamentary office holders, and related matters* gives effect to this decision.<sup>27</sup>

## Percentage increases in the base salary from 1996

Since 1996, the base salary has increased by the following (in actual dollars):

- 7 March 1996—1.6 per cent
- 17 October 1996—1.2 per cent
- 7 December 1999—4.45 per cent, the first stage of a 9.95 per cent two-stage increase
- 1 July 2000—5.5 per cent, the second stage of the 9.95 per cent increase
- 1 July 2000—2.2 per cent by virtue of an adjustment to the PEO Classification Structure
- 1 July 2001—3.9 per cent
- 1 July 2002—3.35 per cent
- 1 July 2003—4 per cent
- 1 July 2004—3.9 per cent
- 1 July 2005—4.1 per cent and
- 1 July 2006—7.01 per cent
- 1 July 2007—6.8 per cent
- 1 October 2009—3.1 per cent
- 1 August 2010—3.8 per cent
- 1 July 2011—3.6 per cent
- 15 March 2012—31.3 per cent
- 1 July 2012—3.0 per cent
- 1 July 2013—2.4 per cent
- 1 July 2014—0 per cent

21. Remuneration Tribunal, [Review of the Remuneration of Members of Parliament: Initial report](#), 15 December 2011, accessed 12 November 2014.

22. Remuneration Tribunal, [Reports, Members of Parliament, Secretaries of Departments, Specified Statutory Offices, Statement](#), 15 December 2011, accessed 12 November 2014.

23. Remuneration Tribunal, Determination 2012/02: [Members of Parliament—Base salary and related matters](#), 12 March 2012, accessed 12 November 2014.

24. Remuneration Tribunal, Determination 2012/15: [Members of Parliament—Base salary, entitlements and related matters](#), 19 June 2012, accessed 12 November 2014.

25. Remuneration Tribunal, Determination 2013/13: [Members of Parliament – Base salary, additional salary for Parliamentary office holders and related matters](#), 18 June 2013, accessed 12 November 2014; Remuneration Tribunal, Determination 2013/13 [Members of Parliament – Salary statement of reasons](#), June 2013, accessed 12 November 2014.

26. Remuneration Tribunal, 2014 Review of Remuneration for Holders of Public Office, [Statement](#), 12 May 2014, accessed 10 November 2014.

27. Remuneration Tribunal, Determination 2014/10: [Members of Parliament—Base salary, additional salary for parliamentary office holders, and related matters](#), 14 May 2014, accessed 10 November 2014.

## Increases in the parliamentary base salary compared with average wages from 1968

During the 1980s the MPs' base salary failed to keep up with inflation resulting in a decline in value in real terms. This was in contrast to the average which kept ahead of inflation and grew, in real terms, at an annual average rate of 0.3 per cent.

As a result the base salary, which had been three times the average wage in 1975, was only twice the average wage in 1991. During the 1990s MPs were given increases to their base salary which allowed some catch up with average wages. However, despite this by 2011 the base salary was still only 2.2 times the average wage.

In March 2012 MPs received an increase to their base salary of 31.3 per cent. This resulted in a significant increase in the value of the salary relative to average wages. At 2.8 times the average annual wage it is at its highest level in 37 years.

The freeze on MPs' pay for a year (beginning 1 July 2014) reduces the gap with average weekly earnings.

**Table 1: Base salary compared with average wages 1968–2014**

| Year | Date of effect | Base salary<br>(\$ per annum) |                                      | Male total average wages<br>(\$ per annum) (b) |                                      | Ratio allowance<br>to average<br>wages |
|------|----------------|-------------------------------|--------------------------------------|--|--------------------------------------|--|
|      |                | Current prices                | Real prices<br>(2014 dollars)<br>(a) | Current prices                                 | Real prices<br>(2014 dollars)<br>(a) |  |
| 1968 | 1.12.68        | 9 500                         | 109 353                              | 3 525  | 40 572                               | 2.7                                    |
| 1973 | 1.4.73         | 14 500                        | 134 697                              | 5 256  | 48 823                               | 2.8                                    |
| 1975 | 1.3.1975       | 20 000                        | 138 431                              | 6 987  | 48 359                               | 2.9                                    |
| 1975 | 15.5.1975      | 20 720                        | 138 876                              | 7 597  | 50 918                               | 2.7                                    |
| 1975 | 9.9.1975       | 20 000                        | 133 208                              | 7 659  | 51 014                               | 2.6                                    |
| 1976 | 1.6.1976       | 21 250                        | 127 140                              | 8 739  | 52 284                               | 2.4                                    |
| 1977 | 1.6.1977       | 24 369                        | 128 392                              | 9 656  | 50 876                               | 2.5                                    |
| 1978 | 1.7.1978       | 25 692                        | 125 382                              | 10 637   | 51 908                               | 2.4                                    |
| 1979 | 1.7.1979       | 26 720                        | 119 900                              | 11 606   | 52 081                               | 2.3                                    |
| 1979 | 23.11.1979     | 27 575                        | 117 277                              | 12 091   | 51 424                               | 2.3                                    |
| 1980 | 1.7.1980       | 28 816                        | 116 474                              | 13 139   | 53 109                               | 2.2                                    |
| 1980 | 1.8.1980       | 30 026                        | 121 365                              | 13 139   | 53 109                               | 2.3                                    |
| 1981 | 1.7.1981       | 36 000                        | 134 239                              | 14 771   | 55 080                               | 2.4                                    |
| 1981 | 1.7.1981       | 33 013                        | 123 101                              | 14 771   | 55 080                               | 2.2                                    |
| 1982 | 1.7.1982       | 36 000                        | 121 029                              | 17 201   | 57 828                               | 2.1                                    |
| 1982 | 1 10 1982      | 38 500                        | 125 066                              | 17 602   | 57 181                               | 2.2                                    |
| 1983 | 6.10.1983      | 40 156                        | 119 453                              | 18 875   | 56 147                               | 2.1                                    |
| 1984 | 1.5.1984       | 41 802                        | 121 951                              | 20 011   | 58 380                               | 2.1                                    |
| 1985 | 1.7.1985       | 42 889                        | 117 060                              | 21 018   | 57 365                               | 2.0                                    |
| 1986 | 1.7.1986       | 45 543                        | 114 561                              | 22 796   | 57 341                               | 2.0                                    |
| 1986 | 10.3.1987      | 46 065                        | 107 688                              | 23 176   | 54 180                               | 2.0                                    |
| 1987 | 1.7.1987       | 47 815                        | 110 078                              | 23 828   | 54 856                               | 2.0                                    |
| 1988 | 1.7.1988       | 49 180                        | 105 642                              | 25 350   | 54 455                               | 1.9                                    |
| 1989 | 1.1.1989       | 55 000                        | 113 760                              | 27 483   | 56 845                               | 2.0                                    |
| 1990 | 16.11.1989     | 55 000                        | 105 516                              | 28 156   | 54 016                               | 2.0                                    |
| 1990 | 1.7.1990       | 58 300                        | 108 126                              | 29 339   | 54 414                               | 2.0                                    |
| 1991 | 1.1.1991       | 61 798                        | 110 922                              | 30 533   | 54 804                               | 2.0                                    |
| 1991 | 1.7.1991       | 64 768                        | 116 253                              | 30 001   | 53 850                               | 2.2                                    |
| 1991 | 15.8.1991      | 66 387                        | 118 556                              | 30 001   | 53 577                               | 2.2                                    |
| 1992 | 17.12.1992     | 67 715                        | 119 318                              | 31 258   | 55 078                               | 2.2                                    |



| Year                             | Date of effect | Base salary<br>(\$ per annum) |                                      | Male total average wages<br>(\$ per annum) (b) |                                      | Ratio allowance<br>to average<br>wages |
|----------------------------------|----------------|-------------------------------|--------------------------------------|--|--------------------------------------|--|
|                                  |                | Current prices                | Real prices<br>(2014 dollars)<br>(a) | Current prices                                 | Real prices<br>(2014 dollars)<br>(a) |  |
| 1993                             | 11.3.1993      | 68 663                        | 119 990                              | 31 868   | 55 690                               | 2.2                                    |
| 1994                             | 1.1.1994       | 68 663                        | 118 814                              | 32 619   | 56 443                               | 2.1                                    |
| 1994                             | 10.3.1994      | 69 693                        | 120 008                              | 32 619   | 56 168                               | 2.1                                    |
| 1994                             | 15.12.1994     | 74 460                        | 125 562                              | 33 620   | 56 693                               | 2.2                                    |
| 1995                             | 12.1.1995      | 75 949                        | 128 073                              | 33 990   | 57 318                               | 2.2                                    |
| 1995                             | 6.4.1995       | 77 438                        | 128 537                              | 34 115   | 56 627                               | 2.3                                    |
| 1995                             | 13.7.1995      | 78 987                        | 129 285                              | 34 240   | 56 044                               | 2.3                                    |
| 1996                             | 7.3.1996       | 80 251                        | 128 377                              | 34 949   | 55 909                               | 2.3                                    |
| 1996                             | 17.10.1996     | 81 856                        | 129 575                              | 35 507   | 56 207                               | 2.3                                    |
| 1999                             | 7.12.1999      | 85 500                        | 131 034                              | 38 657   | 59 244                               | 2.2                                    |
| 2000                             | 1.7.2000       | 92 000                        | 138 786                              | 39 522   | 59 621                               | 2.3                                    |
| 2001                             | 1.7.2001       | 95 600                        | 135 893                              | 41 034   | 58 329                               | 2.3                                    |
| 2002                             | 1.7.2002       | 98 800                        | 136 592                              | 42 963   | 59 397                               | 2.3                                    |
| 2003                             | 1.7.2003       | 102 760                       | 138 451                              | 45 310   | 61 047                               | 2.3                                    |
| 2004                             | 1.7.2004       | 106 770                       | 140 285                              | 46 248   | 60 765                               | 2.3                                    |
| 2005                             | 1.7.2005       | 111 150                       | 142 503                              | 48 907   | 62 703                               | 2.3                                    |
| 2006                             | 1.7.2006       | 118 950                       | 146 645                              | 51 045   | 62 930                               | 2.3                                    |
| 2007                             | 1.7.2007       | 127 060                       | 153 428                              | 53 861   | 65 038                               | 2.4                                    |
| 2008                             | 1.7.2008       | 127 060                       | 146 896                              | 55 738   | 64 439                               | 2.3                                    |
| 2009                             | 1.10.2009      | 131 040                       | 147 944                              | 60 623   | 68 443                               | 2.2                                    |
| 2010                             | 1.8.2010       | 136 040                       | 150 382                              | 61 702   | 68 208                               | 2.2                                    |
| 2011                             | 1.7.2011       | 140 910                       | 150 427                              | 64 471   | 68 826                               | 2.2                                    |
| 2012                             | 15.3.2012      | 185 000                       | 196 111                              | 66 995   | 71 018                               | 2.8                                    |
| 2012                             | 1.7.2012       | 190 550                       | 200 988                              | 67 000   | 70 670                               | 2.8                                    |
| 2013                             | 1.7.2013       | 195 130                       | 201 014                              | 70 754   | 72 888                               | 2.8                                    |
| 2014                             | 1.7.2014       | 195 130                       | 195 130                              | 71 171   | 71 171                               | 2.7                                    |
| Annual average percentage change |                |                               |                                      |  |                                      |  |
| 1968 to 2013                     |                | 1.1                           | 1.0                                  | 1.1  | 1.0                                  |  |
| 1970 to 1980                     |                | 11.7                          | 0.6                                  | 14.1   | 2.7                                  |  |
| 1980 to 1990                     |                | 6.7                           | -1.0                                 | 7.9  | 0.2                                  |  |
| 1990 to 2000                     |                | 5.3                           | 2.8                                  | 3.4  | 1.0                                  |  |
| 2000 to 2010                     |                | 4.0                           | 0.8                                  | 4.6  | 1.4                                  |  |
| 2013 to 2014 (c)                 |                | 0.0                           | -2.9                                 | 0.6  | -2.4                                 |  |

(a) adjusted for inflation with the Consumer Price Index (CPI) to June 2014 prices

(b) average weekly wages annualised; male average wage is used as the measure as it provides a long term, relatively consistent time series on average earnings data back to 1968

(c) wages growth to May 2014 and MPs' base salary to 1 July 2014

Sources:

Data on MP's allowance from Commonwealth Acts and Remuneration Tribunal Reports and Determinations.

Average wages and deflators from ABS, *Consumer price index, Australia*, Sep 2014, cat. no. 6401.0. *Average weekly earnings, Australia*, May 2014, cat. no. 6302.0.

Real values calculated by the Parliamentary Library

**Graph 1: Base salary for members of parliament and average weekly wages index—real terms**



Graph 1 provides data until July 2014 figure, but the axis labels are set to show every two years from Dec 1968.

Table 1, Graph 1 and commentary on the comparison of MPs' base salary and real wages by Sue Johnson, Statistics and Mapping Section.

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