Queensland Independent Remuneration Tribunal



# Remuneration Determination

Pro-rata payment of pre-paid allowances in an election year

Determination 31/2024 16 May 2024

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# Determination 31/2024 Background and Reasons

## **Tribunal roles and responsibilities**

The *Queensland Independent Remuneration Tribunal Act 2013* (the Act) provides for the Queensland Independent Remuneration Tribunal (the Tribunal) to:

- review and determine remuneration (annual and additional salaries, allowances and entitlements) in connection with members and former members of the Queensland Legislative Assembly (Remuneration Determination); and
- review and determine entitlements of cross bench members to additional staff members (Additional Staff Member Determination).

For a Remuneration Determination, the Tribunal may have regard to the value to the community of a Member of the Legislative Assembly (member) carrying out their role, functions and responsibilities and the importance of a member being appropriately remunerated for carrying out their role. The Tribunal may also consider relevant laws and any other matters the Tribunal considers appropriate including, for example, the size of an electorate (section 29 of the Act). Before making a Determination, the Tribunal must consult with and consider the views of the Clerk of the Parliament (the Clerk).

The Tribunal must ensure any allowances paid to a member reflect the reasonable expenses incurred by a member in servicing their electorate and ensure these allowances are not a substitute for other remuneration and do not take into account accommodation, services and other entitlements specified in section 59D.

#### Submission and consultation

The Tribunal received a submission from the Clerk of the Parliament (Clerk) regarding pre-paid allowances in the lead up to a State election, which has been considered in making Determination 31/2024.

#### Pro rata allowance payments in the lead up to a State election

On 21 March 2024, the Clerk wrote to the Tribunal seeking a determination in relation to the timing of the Electorate Communication Allowance (ECA) and Motor Vehicle Allowance (MVA) payments to Members, in relation to the 2024 State Election and future state elections.

Under current arrangements, ECA bi-annual payments are made in advance on 1 July and 1 January each year and MVA payments are made in advance, paid with normal payroll, and scheduled for the nearest fortnightly pay date that aligns with 1 July, 1 October, 1 January and 1 April each year.

The Clerk's submission highlights the potential risks of normal scheduling of allowance payments in the lead up to a State election, in the context of fixed Parliamentary terms and an election date that does not align with the dates for payment of Members' allowances. Defeated Members may be required to repay large allowance overpayments at a time when they have suddenly become unemployed, may not be able to access superannuation and are needing to transition to life after politics.

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## Considerations

The Tribunal considered:

- section 56 of the Act, which requires a former member to repay the pro-rata amount of a prepaid allowance where the member stops being a member before the end of the period in relation to which the allowance is paid;
- a previous decision of the Tribunal relating to the pro-rating of allowances in the lead up to an election (Determination 19/2019);
- the potential impacts on members if pre-paid allowances are paid in the usual way.

#### Conclusion

The Tribunal noted the potential impacts of pre-paid allowance payments on members in the context of an ordinary general election<sup>1</sup>, where a member may not retain their Parliamentary position, and noted the policy previously set in similar circumstances in Determination 19/2019.

The Tribunal has concluded that in the lead up to the ordinary general election in 2024 and for future ordinary general elections, it is appropriate for pre-paid allowances to be pro-rated in the following way:

For the period immediately prior to the ordinary general election:

- the ECA bi-annual payment should be pro-rated for the period 1 July to the day before the normal polling day for an ordinary general election<sup>2</sup> (the last Saturday in October of that year); and
- the MVA quarterly payment should be altered to include one additional month, to align with the day before the normal polling day for an ordinary general election (the last Saturday in October of that year).

For the period immediately following the ordinary general election, all elected Members including both new and returned Members should receive:

- pro-rata ECA bi-annual allowance payments for the period from the normal polling day for the ordinary general election to 31 December in that year; and
- pro-rata MVA quarterly payment for the period from the normal polling day for the ordinary general election to 31 December in that year.

Normal allowance payments in accordance with the standard scheduling under the *Members' Remuneration Handbook* would recommence from 1 January following the ordinary general election.

<sup>&</sup>lt;sup>1</sup> Ordinary general election is defined at section 19A Constitution of Queensland 2001

<sup>&</sup>lt;sup>2</sup> Normal polling day for an ordinary general election is defined at section 19B Constitution of Queensland 2001

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Any inconsistencies between earlier Tribunal Determinations and Determination 31/2024 are resolved in favour of Determination 31/2024. Matters in earlier Determinations not addressed in this Determination are confirmed by the Tribunal and not amended.

Pro-rated allowance payments: ordinary general elections

- 1. The Tribunal determines the following pro-rata payment arrangements will apply in relation to prepaid allowances for Members of the Legislative Assembly of Queensland when an ordinary general election occurs during the period to which the allowance relates:
  - a. For the period immediately prior to the ordinary general election
    - i. the ECA bi-annual payment is to be pro-rated for the period 1 July to the day before the normal polling day for the ordinary general election (the last Saturday in October of that year); and
    - ii. the MVA quarterly payment is to be altered to include one additional month, to align with the day before the normal polling day for the ordinary general election (the last Saturday in October of that year).
  - b. For the period immediately following the ordinary general election, all elected Members including both new and returned Members are to receive
    - i. pro-rata ECA bi-annual allowance payments for the period from the normal polling day for the ordinary general election to 31 December in that year; and
    - ii. pro-rata MVA quarterly payment for the period from the normal polling day for the ordinary general election to 31 December in that year.
- 2. Normal allowance payments in accordance with the standard scheduling under the Members' Remuneration Handbook will recommence from 1 January following the ordinary general election.

Date of Determination: 16 May 2024

Keitha Dunstan Chairperson

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Patrick Weller Member

Jim Varghese Member