




Speech By  
**Annastacia Palaszczuk**

**MEMBER FOR INALA**

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## QUEENSLAND INDEPENDENT REMUNERATION TRIBUNAL BILL

 **Ms PALASZCZUK** (Inala—ALP) (Leader of the Opposition) (12.13 pm): I rise to speak to the Queensland Independent Remuneration Tribunal Bill 2013. The opposition supports this bill, although there are a number of areas where we have concerns and we will seek clarification from the Attorney-General on those matters. As I said, the opposition is comfortable with what the government is doing, but we should never forget why this legislation has been introduced. It is not because of a decision of the previous Beattie government. It is not because of a decision of former Premier Bligh to give Queensland MPs a lower pay rise than their federal counterparts.

**Government members** interjected.

**Ms PALASZCZUK:** You will get the history. The real reason this legislation has been introduced is because the LNP cabinet gave themselves a staggering pay rise of 41.9 per cent, with the additional flow-on effects, and they copped enormous public backlash in return. At a time when many families are struggling with cost-of-living pressures, LNP ministers sat around the cabinet table and decided to grant themselves pay rises of tens of thousands of dollars. In fact, it was announced the very same day as Queenslanders were hit with a massive 22.6 per cent increase in their electricity bills. At a time when hardworking public servants cannot even get a 2.3 per cent pay rise from the government, LNP ministers gave themselves an increase almost 20 times higher.

For backbenchers the pay rise was \$57,000 a year—more than what many people earn in the entire year. For ministers the pay rise resulted in an extra \$93,000 a year and for the Deputy Premier about \$100,000 a year. But the really obscene figure is the pay rise reserved for the Premier—an extra \$118,000 a year—taking his salary to almost \$400,000 which is comparable to that of the President of the United States.

The public and the opposition condemn these pay rises but for more than a week the government tried to defend the indefensible. Finally, as the issue threatened to completely derail an already dysfunctional government, the LNP announced its intention to establish the tribunal that is the subject of this legislation.

From the outset, it must be pointed out that there should be no reason for this legislation to be rushed through the way it is—being debated two days after it was introduced. The Premier will have everyone believe that after his deputy botched the decision to lift MPs' pay by 41.9 per cent he arrived like a white knight to save the day with his alternative. Nothing could be further from the truth.

What the Premier and Deputy Premier conveniently forgot to tell the public is that the option of an independent remuneration tribunal was suggested to them in April 2012—just three weeks after they came into power. On 13 April 2012 the Clerk of the Parliament wrote to the Premier alerting him to the fact that the salaries of Queensland MPs were out of step with the legislative provisions of the Parliament of Queensland Act 2001. Why? Because at the height of the global financial crisis, then Premier Anna Bligh 'determined that the increases for federal members would not be passed on in full to Queensland members'. The letter went on to say that this situation was 'contrary to the relevant provision in the act'.

So the Premier was clearly aware of the legal situation regarding MPs' salaries some 16 months ago. The Clerk's letter outlined to the Premier four options for handling the issue. Option 4 was to establish a remuneration tribunal for members. I table that letter.

*Tabled paper:* Letter, dated 13 April 2012, to the Premier, Hon. Campbell Newman, from the Clerk of the Parliament regarding the administration of salaries of members of the Legislative Assembly [\[3181\]](#).

So let us not be conned by the idea that the Premier came up with the idea as a way to defuse a hot issue. The truth is that he rejected this idea some 16 months ago and only reconsidered it when the public backlash to the LNP's 41.9 per cent pay rise became overwhelming. The Premier did not save the situation. The reality is that he contributed to it and he is just as much to blame as his deputy.

This is just one of the myths surrounding the issue that needs to be dispelled. There are several others so I thought I would start by providing a little background to a matter that engulfed the government for two weeks in early July 2013. Contrary to the Premier's assertions, the decision to link state MPs' pay to the salaries of their federal counterparts was not a decision of former Premiers Beattie or Bligh. This is a decision that had its genesis a quarter of a century ago when the conservative Ahern government was in power. The salaries of members of the Queensland Legislative Assembly have been linked to the pay rate of federal MPs since the Ahern government passed the Parliamentary Members' Salary Act 1988—25 years ago. Section 3 of this act stated that state MPs were to receive \$500 less than a member of the House of Representatives in the federal parliament. I table the extract of that act.

*Tabled paper:* Extract of Parliamentary Members' Salaries Act 1988 (Qld) [\[3182\]](#).

This provision was continued when the Beattie government consolidated several pieces of legislation regarding the operation of parliament through the Parliament of Queensland Act 2001. The act was passed on 27 November 2001 and was not opposed by the Liberals and Nationals. In fact, there are several members of the current government who were sitting in this parliament at that time, including the Deputy Premier, the Minister for Health, the Chief Whip and the members for Warrego and Mirani. It seems they had no concerns about linking the salaries of Queensland MPs to federal members back then.

In the wake of the global financial crisis, former Premier Anna Bligh restricted salary increases for MPs several times, ensuring they rose at a moderate rate in keeping with the pay rises granted to public servants at the time. In March 2012 the federal Remuneration Tribunal granted federal MPs a salary increase of 31 per cent, as well as adjusting MP allowances, but this increase was not passed on to state MPs.

Of course, also in March 2012 something else happened. We had a state election and the LNP, led by Premier Newman, won the treasury bench in the Queensland parliament. Then on 13 April 2012—just three weeks after the LNP took power—the Clerk of the Parliament wrote his letter to the Premier. It should be noted that copies of this letter were also provided, I understand, to the Deputy Premier and the Treasurer at this time—so they were fully aware of this issue for more than one year. The Premier also received briefings from his department, writing on one that 'members pay and allowances will go up by the core wage outcome'. I table that briefing note.

*Tabled paper:* Premier's briefing note, dated 22 August 2012, regarding salary and allowances increase for members of the Queensland Parliament in 2012 [\[3183\]](#).

It is a shame that the Premier did not follow his own advice and implement this solution. He could have saved himself and his government an enormous amount of embarrassment.

The issue of MP salaries got interesting on Monday, 1 July 2013 when the Acting Premier, the member for Callide, Jeff Seeney, announced that he had instructed the Clerk of the Parliament to comply with the Parliament of Queensland Act, thereby increasing MPs' salaries by 41.9 per cent. This was such a great decision that he even put out a media statement about it. I table the media statement.

*Tabled paper:* Media release, dated 1 July 2013, from the Acting Premier, the Hon. Jeff Seeney, titled 'Government will resist back pay claims' [\[3184\]](#).

Never mind that this was the same day that power bills for average families increased by 22.6 per cent—another broken promise by the LNP, who told Queenslanders before the 2012 election that they would lower household electricity bills.

The Acting Premier claimed he was responding urgently to crown law advice, received on 28 June 2013, that withholding the pay rise was illegal. This explanation fails to withstand scrutiny, as we now know that the government was aware of this issue back in April 2012. The only urgency was rushing it through cabinet while the Premier was away in the vain hope that he would not be associated with this decision. The government's decision was then gazetted on 5 July 2013. This is where the government's explanation starts to unravel even further. The gazettal notice states—

The *Members' Entitlements Handbook* shall be amended to reflect the increase of 41.9% to salaries of Members of the Queensland Legislative Assembly and additional salaries and Expense of Office allowances payable to Office Holders of the Legislative Assembly, Ministers and Assistant Ministers ...

I table the gazettal notice.

*Tabled paper:* Page 795 of Queensland Government Gazette No. 53, 5 July 2013 [3185].

There, in black and white, is the evidence that the 41.9 per cent pay rise applied to all additional salaries paid to office-bearers and members of cabinet. This was confirmed by the Director-General of the Department of the Premier and Cabinet at last month's estimates hearing. He advised the committee that he had fully briefed the Acting Premier about the flow-on impacts of the 41.9 per cent pay rise. Despite the growing public backlash to the decision, the government kept defending it. Clearly, this experience would have shaken the Premier's confidence in the capacity of the other 18 members to make responsible decisions in his absence.

One of the most extraordinary parts of this saga was the performance of the Deputy Premier. For nine days he steadfastly defended a decision that could not withstand even the barest of scrutiny. But Tuesday, 9 July 2013 stands out as a particular high point. In an interview with ABC Radio in the morning, the Deputy Premier stated—

... every time you talk about politicians pay rates, you get this understandable reaction. It's easy for people like you to feed off that reaction of ... that is always going to be there. I have been determined that this is not going to cost the Queensland taxpayer one extra dollar. And it won't. We have slashed \$12 million from the money that goes to our political parties, we have slashed our electorate allowances by 50%. That meant that on Tuesday I got \$23,000 less than I would have, than I personally would have otherwise got. I cut my own allowance by \$23,000 to make sure that we had a zero impact on the Queensland taxpayers, because we understand the financial situation, you are exactly right. It's in our complete focus for the last 15 months to address the terrible financial legacy of the former Government. So that's why I'm absolutely determined in responding to the Crown Law advice in fixing Anna Bligh's mistake because it was another one of Anna Bligh's stuff ups that led to this. In fixing that, we had not one extra dollar imposed on the Queensland taxpayer.

Once again this is the government blaming the former Labor government. I table a copy of that interview.

*Tabled paper:* Transcript of 612ABC Brisbane interview of 9 July 2013 at 8.34 am [3186].

On the same day he also told 4BC—

Well, the Parliament can legislate, and Parliament is the only place that this can be changed and that was the crux of the Crown Law advice. And that's what Anna Bligh either didn't know or didn't have the courage to do. And the Parliament as it stands now can legislate when it returns in August. But until then, the law has to be complied with, and that's made very clear to me by the Crown Law Advice. It is just not acceptable for anyone in my position or any position in Government to fundamentally ignore Crown Law advice, you know, that's just not a possibility.

I table that transcript.

*Tabled paper:* Transcript of 612ABC Brisbane interview of 9 July 2013 at 8.37 am [3187].

How extraordinary—the member for Callide trying to blame the former Premier for not increasing MPs' salaries. This is an indication of just how out of touch this government is. But then there was the Deputy Premier's conversion on the road to Damascus. That night on the news we saw a different position from the Deputy Premier. He said—

Everyone's very uncomfortable about those rates that have been published today ...

He also said—

It's a rather obscure linkage that I certainly wasn't aware of and not too many other people were aware of.

He also added—

I had no idea what the calculation would be. I had no idea what the sums would add up to.

I table that transcript.

*Tabled paper:* Document titled 'Comments by Newman Government regarding MP pay rises, 9 July 2013, ABC' [3188].

The Deputy Prime Minister has done harm to his reputation. By all reports, the Premier's confidence in him has diminished substantially and it is easy to see why.

I would like to now deal with some of the more specific elements of the bill. Firstly, I want to comment about—

**Mr Seeney** interjected.

**Madam DEPUTY SPEAKER** (Miss Barton): Deputy Premier, you will have an opportunity to contribute to the debate. The interjections are not being taken and I would ask that for benefit of the House you make your contribution at the appropriate time. The Leader of the Opposition has the call.

**Ms PALASZCZUK:** We will talk about charter flights another time, Deputy Premier. Firstly, I want to talk about the process involved in appointing the inaugural members of the remuneration tribunal. In doing so, I want to make it clear that I am not referring to the calibre of the three members—

**Mr Bleijie** interjected.

**Mr Wellington** interjected.

**Mr Bleijie** interjected.

**Madam DEPUTY SPEAKER:** Mr Attorney, for the benefit of the House I would ask that you not engage in debates across the chamber with other members, please. The Leader of the Opposition has the call.

**Ms PALASZCZUK:** Thank you, Madam Deputy Speaker. In doing so, I want to make it clear that I am not referring to the calibre of the three members appointed by the Premier. However, I believe that for an issue of this nature the Premier should have sought input from the opposition into the nominees for the tribunal. If the Premier had adopted that approach, we would have had a truly bipartisan approach today to resolving this issue. Sadly, the Premier has instead tried to portray himself as something of a hero in this matter—even though, as I have previously stated, all the evidence shows that he was part of the problem, not part of the solution.

It should also be noted that clause 29 outlines the general principles that the tribunal must follow in making a determination. Interestingly, there is no reference to the state's financial position or even the state's fiscal strategy, yet these two factors are so important with regard to public sector wage determinations that the government amended the Industrial Relations Act last year to force the Industrial Relations Commission to take these matters into consideration. It appears that the Newman government is not willing to impose on itself the same requirements it places on the state's hardworking but dwindling public sector workforce. I do not think that the ranks of the LNP have dwindled, though they have gone from 78 to 74 in just 16 months and I will not be surprised to see another departure very soon—perhaps the member for Redlands. Let us wait and see.

The Newman government's decision to lift MP salaries by 41 per cent was widely condemned and rightly so, particularly after it was revealed that the 41.9 per cent increase would result in massive increases to cabinet members and proportional increases to other positions such as committee members, committee chairs and whips. The Premier's attempt to salvage some credibility by putting forward a five-point plan to deal with the pay issue is disingenuous given the background to the issue. The government knew about this issue on 13 April 2012, virtually as soon as it came to office. The government's poorly handled attempt to bring in this pay rise while the Premier was on leave is cynical in the extreme but does not absolve the Premier. He was briefed while he was absent and supported the decision.

The public record also contradicts the member for Callide's claim that he was not aware of the flow-on effects of the increase. The remuneration tribunal seems an acceptable response, but it comes after a massive public backlash. It should be noted that we have had a very short time to scrutinise this legislation. So I urge the government to make the following commitments: the government should ensure the tribunal calls for public submissions to its deliberations, and the government should ensure that the tribunal delivers a detailed public report so that the public can see exactly why the tribunal has made its determinations. I look forward to what I thought was going to be the Premier's response, but I look forward to the Attorney-General's response.