

2019/09: Are Australian politicians paid too much?

What they said...

'Here we have a socialist left Premier snaffling another forty-six thousand dollars of taxpayers money from, well you know, that could go to the poor'

Andrew Bolt, social and political commentator

'It's necessary to have a salary sufficient to attract and retain people of capacity, but no one would suggest that this is a level of remuneration that would rival private sector employment'

John Conde, president of the Remuneration Tribunal

On September 17, 2019, it was announced that Victoria's parliamentarians had been awarded a substantial pay rise by the state's Independent Remuneration Tribunal. The announcement received significant media attention, in part because the increase made Victoria's premier, Daniel Andrews, the highest paid of all state or territory leaders.

<https://www.theage.com.au/politics/victoria/premier-daniel-andrews-wins-46-000-pay-rise-20190917-p52s69.html>

Andrews' pay increase was met with opposition by some media commentators such as Andrew Bolt.

<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F6918093%22> Numerous reader comments on media sites were also critical of the increases. <https://www.heraldsun.com.au/news/victoria/victorian-state-mps-get-new-pay-rates-set-by-independent-tribunal/news-story/d00b1b66e75adc23082dab3052ad3c0b>

On June 7, 2019, it had previously been announced that Australia's federal parliamentarians would receive a 2 percent pay increase. This was recommended by the federal Independent Remuneration Tribunal. The increase came into effect on July 1, 2019.

An ABC News report published on June 7, 2019, noted, 'The timing of the pay rise will be hard to accept for some of the nation's lower-paid workers, as it coincides with the next round of penalty rate cuts ordered two years ago by the independent Fair Work Commission.'

<https://www.abc.net.au/news/2019-06-07/federal-politicians-payrise-backbenchers-morrison-albanese/11189016>

Both state and federal parliamentarians stressed that their increases had been recommended by independent tribunals.

Background

Base salary of members of the Australian federal Parliament

Each Senator and Member serving within the Australian federal Parliament receives an annual base salary, which is determined by the Remuneration Tribunal under section 14(2) of the Parliamentary Business Resources Act 2017. As at 1 July 2019, the base salary is \$211,250 per annum. <https://maps.finance.gov.au/Guidance/Remuneration/Salary>

Additional salary for ministers and office holders

In addition to base salary, certain Senators and Members receive additional salary by virtue of being a Minister (including a Parliamentary Secretary) or holding a specified office. The Remuneration Tribunal reports the rates of additional salary for Ministers and determines rates for all other offices holders under section 14(3)(b) of Parliamentary Business Resources Act 2017.

The Prime Minister receives an additional payment which is 160 percent of the base salary. The Deputy Prime Minister receives an additional payment which is 105 percent of the base

salary. The Treasurer receives an additional payment which is 87.7 percent of the base salary. The leader of the Government in the Senate receives an additional payment which is 87.5 percent of the base salary. The Leader of the House receives an additional payment which is 75 percent of the base salary. Ministers in Cabinet receive an additional salary which is 72.5 percent of the base salary. Other Ministers receive a base salary which is 57.5 percent of the base salary. <https://maps.finance.gov.au/Guidance/Remuneration/Salary>
The Leader of the Opposition receives an additional payment which is 85 percent of the base salary. The Deputy Leader of the Opposition receives an additional payment which is 57.5 percent of the base salary. The Leader of the Opposition in the Senate receives an additional payment which is 57.7 percent of the base salary. The Deputy Leader of the Opposition in the Senate receives an additional payment which is 20 percent of the base salary. <https://maps.finance.gov.au/Guidance/Remuneration/Salary>

Composition of the Remuneration Tribunal <https://www.remtribunal.gov.au/about-us>
The Remuneration Tribunal is an independent statutory authority established under the Remuneration Tribunal Act 1973 (the Act). The Tribunal consists of three part-time members appointed by the Governor-General.

Role of the Remuneration Tribunal <https://www.remtribunal.gov.au/about-us>
The Tribunal's role is to determine, report on or provide advice about remuneration, including allowances and entitlements that are within its jurisdiction for the following:
federal Parliamentarians, including Ministers and Parliamentary office holders
judicial and non-judicial offices of federal courts and tribunals
Secretaries of Departments
full-time and part-time holders of various public offices
Principal Executive Offices

The Victorian Independent Remuneration Tribunal
The Victorian tribunal established by the Andrews Government in 2018 functions similarly to the federal body.
At the time it was established, Special Minister of State Gavin Jennings said MPs' pay would be assessed against other professions and the tribunal set-up would 'stop MPs determining their own salaries and ensure that only legitimate work expenses can be claimed'.
<https://www.heraldsun.com.au/news/victoria/new-tribunal-asking-victorians-how-much-our-pollies-are-worth/news-story/d3a3b7e68af5722ec4f9c193da22b21e>

Internet information

On September 24, 2019, The Mandarin published a report by Stephen Easton titled 'Industrial action looms as parliamentary pay rise infuriates Victorian public sector union'
The report focuses on the response Community and Public Sector Union to the pay rises recently granted Victorian parliamentarians.
The full text can be accessed at <https://www.themandarin.com.au/116410-industrial-action-looms-as-parliamentary-pay-rises-infuriates-victorian-public-sector-union/>

On September 20, 2019, The Australian published a news report which focuses on the criticism made by the Victorian Nationals leader, Peter Walsh, of the salary increase awarded Victorian premier Daniel Andrews.
The full text of the report can be accessed at <https://www.theaustralian.com.au/nation/politics/daniel-andrews-pay-rise-obscene/news-story/84a06fc571b864e4a5bba1fc3a33038c>

On September 19, 2019, The Age published a report titled ‘MPs say stress from social media warranted their large pay rises’

The article reports on claims from Victorian politicians that they deserve their recent pay rises because social media platforms have made their working lives harder.

The full text can be accessed at <https://www.theage.com.au/politics/victoria/mps-say-stress-from-social-media-warranted-their-large-pay-rises-20190919-p52t3b.html>

On September 18, 2019, The Australian published a report titled ‘Andrews best-paid pollie bar PM’

The article outlines the pay increase just awarded to Victorian parliamentarians.

The full text can be accessed at <https://www.theaustralian.com.au/nation/politics/victorian-state-politicians-handed-64pc-pay-rise/news-story/bb9a8e293a546b133620fc1105614849>

On September 18, 2019, The Herald Sun published a report titled ‘Victorian state MPs get new pay rates set by independent tribunal’

The article outlines the pay increase just awarded to Victorian parliamentarians.

The full text can be accessed at <https://www.heraldsun.com.au/news/victoria/victorian-state-mps-get-new-pay-rates-set-by-independent-tribunal/news-story/d00b1b66e75adc23082dab3052ad3c0b>

On September 17, 2019, ABC News published a report titled ‘Victorian Premier to become highest-paid state leader as tribunal grants pay rise for MP’

The article outlines the pay increase just awarded to Victorian parliamentarians.

The full text can be accessed at <https://www.abc.net.au/news/2019-09-17/victorian-premier-to-become-highest-paid-state-leader-pay-rise/11520214>

On September 17, 2019, The Age published a report titled ‘Premier Daniel Andrews wins \$46,000 pay rise’

The article outlines the pay increase just awarded to Victorian parliamentarians.

The full text can be accessed at <https://www.theage.com.au/politics/victoria/premier-daniel-andrews-wins-46-000-pay-rise-20190917-p52s69.html>

On July 20, 2019, The Guardian published a report titled ‘Australians’ faith in politics has collapsed – how can we reimagine democracy?’

The report details findings indicating a loss of faith within the Australian electorate in its political representatives.

The full text can be found at <https://www.theguardian.com/australia-news/commentisfree/2019/jul/19/australians-faith-in-politics-has-collapsed-how-can-we-reimagine-democracy>

On July 2, 2019, The Guardian published a report titled ‘Three in four MPs “probably have poor mental health”’

The article considered the psychological impact of stress upon members of the British parliament.

The full text can be accessed at <https://www.theguardian.com/society/2019/jul/01/three-in-four-mps-probably-have-poor-mental-health>

On June 17, 2019, William Summers, a researcher, journalist and blogger who was a Walkley Award finalist in 2017, published a comment on his blog titled ‘Victorian MPs get \$5,000 pay rise (and why we should be happy about it)’

The title of the comment is ironic as it actually criticises the probable impact of an independent tribunal to determine the salaries of Victorian parliamentarians.

The full text can be accessed at <https://williamsummers.blog/2019/06/17/victorian-mps-get-5000-pay-rise-and-why-we-should-be-happy-about-it/>

On June 7, 2019, Business Insider published a report titled ‘Australia's politicians are about to get a 2% pay rise — and they can thank these 3 corporate high-flyers on the Remuneration Tribunal’

The report included the justification offered by one of the members of the Remuneration Tribunal for the pay rise.

The full text can be accessed at <https://www.businessinsider.com.au/australias-politicians-are-about-to-get-a-2-pay-rise-and-they-can-thank-these-3-corporate-high-flyers-on-the-remuneration-tribunal-2019-6>

On May 9, 2019, The Guardian published an analysis by Amethyst DeWilde titled ‘Ask a policy expert: How much do we pay for our politicians?’

The analysis unfavourably compares the fixed rate of Newstart with the increases awarded federal parliamentarians.

The full text can be accessed at <https://www.theguardian.com/australia-news/2019/may/09/ask-a-policy-expert-how-much-do-we-pay-for-our-politicians>

On June 29, 2018, William Summers, a researcher, journalist and blogger who was a Walkley Award finalist in 2017, published a comment on his blog titled ‘Victorian MPs get \$2713 pay rise. Next year it could be a lot bigger’

The comment comments upon the probable effect of Victorian parliamentarians having their salaries set by an independent tribunal from 2019. Summers argues that there will be less control on parliamentarians’ salary increases than is currently the case.

The full text can be accessed at <https://williamsummers.blog/2018/06/29/victoria-mp-pay-rise-2018/>

On May 26, 2018, The Sydney Morning Herald published a report titled ‘At \$528,000 a year, Turnbull's pay is highest of any leader in OECD’

The article compares the salary earned by that of Australia’s then prime minister Malcolm Turnbull with those of the political leaders of other OECD countries.

The full text can be accessed at <https://www.smh.com.au/politics/federal/at-528-000-a-year-turnbull-s-pay-is-highest-of-any-leader-in-oecd-20180526-p4zhp5.html>

On February 17, 2017, The Constitution Education fund of Australia published a comment and analysis titled ‘Why are we so outraged that our politicians get paid?’

The article examines the Constitutional provision for politicians to receive payment and considers the justifications offered for this payment. It also notes that the payment specified in the Constitution is far greater relative to average weekly earnings in 1901 than the remuneration parliamentarians receive today.

The full text can be accessed at <http://www.cefa.org.au/ccf/why-are-we-so-outraged-our-politicians-get-paid>

On December 5, 2016, the New York-based political publication Gotham Gazette published an analysis titled 'Does Higher Pay Attract Better Politicians?'

The article examined research from a range of sources and tentatively concluded that higher salaries attracted a better calibre of political candidate.

The full text can be accessed at <https://www.gothamgazette.com/state/6651-does-higher-pay-attract-better-politicians>

On March 28, 2014, The Guardian published an opinion piece by David Donaldson titled 'Are Australia's politicians underpaid?'

The opinion piece looks at some of the justifications for the level at which Australian parliamentarians are paid and then attempts to demonstrate that these are not valid.

The full text can be found at

<https://www.theguardian.com/commentisfree/2014/mar/28/australia-politicians-pay>

On July 1, 2013, The Guardian published an analysis titled 'Do higher MPs wages encourage corruption?' which attempted to relate the degree of political corruption in various countries with the salaries paid their politicians. The article demonstrates the difficulties associated with coming to a secure judgement on the question.

The full text can be accessed at [https://www.theguardian.com/politics/reality-check/2013/jul/01/do-higher-mps-wages-encourage-](https://www.theguardian.com/politics/reality-check/2013/jul/01/do-higher-mps-wages-encourage-corruption)

[corruptionhttps://www.theguardian.com/commentisfree/2014/mar/28/australia-politicians-pay](https://www.theguardian.com/commentisfree/2014/mar/28/australia-politicians-pay)

On December 15, 2011, ABC News published a report titled 'Pollies awarded substantial pay rise' which outlined the most recent pay rise afforded federal parliamentarians and included some of the justification offered by one of the members of the Remuneration Tribunal.

The full text can be accessed at <https://www.abc.net.au/news/2011-12-15/politicians-get-hefty-payrise/3732776>

Arguments supporting the salaries Australian politicians receive

1. Substantial remuneration helps to attract high quality candidates

Supporters of large salaries being paid to federal and state parliamentarians argue that it is one way of attracting people of high ability into politics. It is claimed that such people may well pursue more lucrative careers in private enterprise, the law or academia if parliamentary salaries were not attractive.

The federal Remuneration Tribunal determines the salaries of federal parliamentarians, judges and secretaries of departments. <https://www.remtribunal.gov.au/about-us> It has stated in June 2019, 'The tribunal's primary focus is to provide competitive and equitable remuneration that is appropriate to the responsibilities and experience required of the roles, and that is sufficient to attract and retain people of calibre.'

<https://www.businessinsider.com.au/australias-politicians-are-about-to-get-a-2-pay-rise-and-they-can-thank-these-3-corporate-high-flyers-on-the-remuneration-tribunal-2019-6>

The Tribunal's president, John Conde, offered the same justification in 2011, when defending a salary increase for federal parliamentarians. He stated, 'It's necessary to have a salary sufficient to attract and retain people of capacity, but no one would suggest that this is a level of remuneration that would rival private sector employment.'

<https://www.abc.net.au/news/2011-12-15/politicians-get-hefty-payrise/3732776>

Labor frontbencher Joel Fitzgibbon has stated, 'You must pay them enough to attract good people to the career and you need to ensure that the cost involved is covered.' The same point

has been made by Nationals backbencher Barnaby Joyce, who has argued, 'To try to attract the best talent in you must have a way to get people out of the private sector.' Mr Joyce, a former accountant, went on to claim, 'If I went back as an accountant I would be paid more.' <https://www.msn.com/en-au/news/australia/i-work-hard-id-be-paid-more-as-an-accountant-barnaby-joyce-defends-rort-that-sees-politicians-pocket-an-extra-dollar46000-a-year-if-they-dont-use-it-for-travel-expenses/ar-AADZnu5?li=AA4RE4>

Anne-Marie Carroll, managing director of executive recruitment agency Merit Solutions, has stated, 'The secret to enticing the best of corporate talent to the public sector may be about tackling some of the perceived negatives, including lower salaries... not many people will take a third of what they were getting before or even a half; they might take two-thirds.'

<https://insightsresources.seek.com.au/making-switch-attract-top-candidates-public-sector>

In 2004, Peter Phelps, a spokesman for Liberal senator Eric Abetz, stated, 'The salaries that MPs receive are based on the public service and they are set at the lowest of the senior executive service band of salaries.' <https://www.theage.com.au/national/revealed-the-true-cost-of-democracy-20041030-gdywam.html>

Some United States studies comparing the calibre and efficiency of lawmakers in different American states indicate that higher salaries appear to attract better representatives. Peverill Squire, a political science professor at the University of Missouri, has a body of research measuring the impact of salaries on state lawmakers across the United States. Overall, Squire has found that more seats go uncontested when legislative pay is lower (giving voters fewer choices); higher pay allows lawmakers to spend more time on their legislative responsibilities; and higher salaries are more likely to attract lawmakers who hold college degrees. For example, 88 percent of California state lawmakers, who earn \$100,113 annually, have college degrees, while only 49 percent of New Hampshire state lawmakers, who earn \$100 annually, have graduated from college. <https://www.gothamgazette.com/state/6651-does-higher-pay-attract-better-politicians>

Studies conducted of the Brazilian legislature have shown similar results. Economists Claudio Ferraz and Frederico Finan analysed the educational and professional backgrounds of candidates and found that higher wages increased political competition by attracting more candidates and attracted more educated legislators with more experience.

<https://www.gothamgazette.com/state/6651-does-higher-pay-attract-better-politicians>

2. Substantial remuneration increases diversity among politicians, allowing those without wealth to run for office, and makes them less vulnerable to corruption

Supporters of politicians receiving substantial salaries argue that this is necessary to prevent politics becoming the exclusive preserve of the wealthy and in addition to help reduce the temptation for politicians to use their positions for their personal gain.

It has been claimed that if parliamentarians were not substantially paid then only the wealthy would undertake a career in politics. Politics is an expensive career to enter and it takes substantial economic support to maintain a parliamentarian's office and to keep in contact with constituents. Were politicians not well paid then those from lower socio-economic groups would not be able to consider running for parliament or remaining as representatives.

It is in recognition of this that the Australia Constitution guarantees that parliamentarians will receive substantial remuneration. At Federation payment for Parliamentarians was considered as an essential condition of democratic Government in young communities. The Australian Constitution, as written in 1901, guarantees parliamentarians £400 a year. This was more than nine times the average annual income at the time. The justification offered was that having unpaid or minimally paid politicians would have meant that only people who could afford to work for no pay would be able to enter parliament. It was argued that this would endanger representative government as wealthy elites would be less likely to effectively represent the

whole of the electorate, including its less privileged members.

<http://www.cefa.org.au/ccf/why-are-we-so-outraged-our-politicians-get-paid>

The potential for reliance on individual wealth to gain or guarantee a politician's position can be seen with Donald Trump. In June 2016, Donald Trump declared that he had self-funded most of his presidential campaign up to that point.

<https://www.npr.org/2016/07/14/485699964/every-position-donald-trump-has-taken-on-how-he-is-funding-his-campaign> Most United States presidential candidates do not use public money to fund their campaigns but draw on private wealth, loans or donations. When considering running for president, Trump stated, 'I'd spend a lot...I'd spend whatever it took.' Critics have argued that the need to be independently wealthy limits the type of person who can become president and prejudices the political process in favour of the rich.

<https://www.npr.org/sections/theprotojournalist/2013/09/06/218848157/quick-question-can-only-the-rich-be-president>

It has further been argued that if parliamentarians were not substantially paid they would be more susceptible to corruption, that is, to taking bribes or being influenced by contributions from lobby groups. Some political theorists argue that people who feel economically deprived relative to their peers are more likely to take part in unethical behaviour such as corruption. In addition, it has been suggested that when individuals feel they have been unjustly deprived of something perceived as an entitlement, they may develop negative self-feelings that, in turn, result in socially unacceptable behavior or foster the conditions underlying the emergence of corruption. This is referred to as the 'relative deprivation theory' as it relies on feelings of resentment or discontent that derive from comparison with others.

https://www.researchgate.net/publication/256035986_Does_Increased_Civil_Service_Pay_Deter_Corruption_Evidence_from_China

Theorists also consider that politicians may be influenced by need or greed, that is, they may act corruptly because they have a need for the money supplied by bribes in order to support their families, for example, or they may act corruptly because avarice prompts them to increase their personal wealth. Substantial parliamentary salaries are believed to be a partial protection against these motivations for corruption.

https://www.researchgate.net/publication/256035986_Does_Increased_Civil_Service_Pay_Deter_Corruption_Evidence_from_China

Ministerial salaries in Singapore are the highest in the world, with an entry-level minister paid \$US830,000 and Prime Minister Lee Hsien Loong earning \$US1.6 million. The Singaporean government argues the huge salaries are necessary to prevent the political corruption that afflicts other Asian countries. <https://www.scmp.com/news/asia/southeast-asia/article/2135327/singapore-ministers-pay-stay-frozen-public-chides> This high remuneration rate is referred to as Singapore's 'clean wage system'.

<https://coconuts.co/singapore/news/ho-ching-defends-prime-minister-lee-hsien-loongs-s2-2-million-salary/>

On December 2, 2012, The Sydney Morning Herald published a letter from reader Thomas Griffiths, who argued, 'I am a firm believer in overpaying politicians. I would prefer their entrepreneurial spirit remained dampened during their tenure. If you think politicians are shifty, untrustworthy swindlers now, imagine how they would behave if they were short on cash! There would be mayhem as they clamoured to sell coal licences on the side to make a decent wage. The pollies would be hawking their wares and leveraging their resources like drug dealers marking out their turf.' <https://www.smh.com.au/politics/federal/do-we-get-value-for-money-from-our-politicians-20121201-2ankf.html>

3. Substantial remuneration recognises politicians' high level of responsibility and large workloads

Supporters of Australian politicians receiving substantial salaries argue that this is no more than an appropriate recompense for their large workloads and complex responsibilities. In 2011, the Remuneration Tribunal (the independent body responsible for setting parliamentarians' salaries) gave an overview of the 'range, diversity and number of demands' that any parliamentarian has to meet. The Tribunal stated, 'First, they must meet the ongoing demands of their electorate. In many respects - bearing in mind the staff involved; the premises; and, importantly, the intense and continuing local engagement - the parliamentarian is responsible for the effective conduct of a small business.

Secondly, they must attend to their many, increasingly diverse and consuming responsibilities in the Parliament. Without their engagement - and the attention to detail necessary to deal properly with the very considerable flux of issues, legislation and regulation - the processes of federal government would become rapidly unworkable.' <https://tinyurl.com/y294dbak> The Tribunal further stated, 'If we are to demand more and more from our parliamentarians and if our expectations of the quality of their work are to keep increasing, then we need to remunerate them sufficiently...'

<https://tinyurl.com/y294dbak>

On September 17, 2019, the Victorian Independent Remuneration Tribunal (a newly established body which determines the salaries of Victorian parliamentarians) similarly justified its decision to grant Victorian parliamentarians a salary increase. The Tribunal stated, 'The Tribunal was required by law to take into account a number of factors when making its determination including the roles and responsibilities of MPs, submissions from MPs and the public, what happens in other jurisdictions, wages policy, the fiscal position of the state and current economic conditions and trends.'

[https://www.vic.gov.au/sites/default/files/2019-09/Media Release from the Victorian Independent Remuneration Tribunal_0.pdf](https://www.vic.gov.au/sites/default/files/2019-09/Media%20Release%20from%20the%20Victorian%20Independent%20Remuneration%20Tribunal_0.pdf) The primary justification for the increase in Victorian parliamentarians' salaries is the same as that offered for federal parliamentarians – 'the roles and responsibilities of MPS'.

A federal parliament information sheet outlines the role and responsibilities of an MP. It states, 'A Member is expected to be a spokesperson for local interests; an ombudsman and facilitator who deals with concerns about government matters; a law maker; an examiner of the work of the government and how it spends the money it raises from taxation; and a contributor to debates on national issues. If a Member has been elected with the support of a political party (as most are), he or she is also expected to participate in party activities.'

https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_15_-_The_work_of_a_Member_of_Parliament

The information sheet further states, 'Members require a broad range of skills to enable them to make an effective contribution across the breadth of their work responsibilities. Individual Members have different sets of skills, developed through education and their work before becoming a Member of Parliament. These may influence where a Member chooses to make his or her main contribution. For example, research and analytical skills are important in committee inquiry work, and in the examination and preparation of legislation; good communication skills are important in all aspects of a Member's work, but are particularly so in working with constituents, in debating legislation and in lobbying. Negotiation skills, organisational skills and problem-solving skills are just a few of the other skills required by Members. As in any field of work, Members develop existing skills and acquire new ones, simply because of the wide variety of tasks they are required to undertake.'

https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_15_-_The_work_of_a_Member_of_Parliament

On September 2, 2019, the Speaker of the Tasmanian House of Representatives, Sue Hickey, argued for an increase in the salary attached to her position. Hickey stated, 'I can tell you

we're working very, very long hours, seven days a week, and sometimes putting ourselves at great risk.' [https://www.abc.net.au/news/2019-09-01/speaker-sue-hickey-says-her-\\$190,000-salary-isnt-enough/11467688](https://www.abc.net.au/news/2019-09-01/speaker-sue-hickey-says-her-$190,000-salary-isnt-enough/11467688)

Comparisons with private enterprise indicate that parliamentarians are underpaid relative to corporate moguls overseeing companies with comparable budgets. By way of example, former prime minister Julia Gillard presided over a government with annual revenues of more than \$300 billion. In the private sector at the same time, there were only five listed firms with so much revenue and they all paid their chief executives far more than the Prime Minister earned. In 2012 the Prime Minister's salary became \$495,430 per annum. In 2011, the biggest corporation, Exxon, paid its chief \$34.9 million, while the smallest, Chevron, paid \$25 million. The biggest Australian-based firms likewise pay their chiefs sums that dwarfed the national leader's income - BHP Billiton paid Marius Kloppers \$11.2 million in 2010 and Westpac's Gail Kelly earned \$9.5 million. <https://www.smh.com.au/politics/federal/who-says-our-mps-cant-agree-20120706-21mqm.html>

It has also been noted that Commonwealth Bank CEO Matt Comyn receives an annual salary of \$8.36 million before bonuses, while Qantas CEO Alan Joyce's annual remuneration is \$24.6 million. <https://goat.com.au/federal-election/how-much-do-our-politicians-actually-earn/>

4. Politics is an inherently stressful and unstable career that disrupts politicians' personal lives and creates substantial psychological strain

It has been argued that Australian politicians deserve substantial remuneration because of the instability and strain associated with political life.

Mal Washer, a Western Australian GP who was elected to the federal Parliament in 1998, has stated, 'Politics is an emotionally taxing job if you are dinkum about it. It's an emotionally trying business. There's a lot of depression in Canberra—that is very, very common.' Washer has argued that the work demands and extended hours required by Parliamentary sittings, meetings and committee work make it very difficult for politicians to lead properly regulated lives in which they take care of their physical and emotional wellbeing.

<https://meanjin.com.au/essays/political-life/>

These concerns regarding the psychological strain imposed by a career in politics have been expressed in many jurisdictions. A study published in the British Medical Journal in July 2019, has found that three quarters of British parliamentarians suffer from poor mental health. Members of the House of Commons are much more likely than either the general population or people in other high-level jobs to be troubled by distress, depression and similar conditions, according to the research. Analysis of information given by 146 MPs who filled in a questionnaire about their mental wellbeing showed that 62 (42%) had 'less than optimal mental health' while another 49 (34%) had 'probable mental health'. Just 35 (24%) had 'no evidence of probable mental health'.

<https://www.theguardian.com/society/2019/jul/01/three-in-four-mps-probably-have-poor-mental-health>

Similar statistics have been suggested for Australia's federal Parliament. In September 2011, former Liberal Opposition finance spokesperson, Andrew Robb, who suffers with diurnal mood variation, a form of depression, stated, 'At least 20 per cent of the parliament are taking some sort of antidepressant medication.'

Robb explained, 'For people who are under a lot of stress, like politicians or senior ministers, a lot thrive on that. But others who get a lot of stress, well that can cause a depressive condition.' <https://www.theaustralian.com.au/national-affairs/one-in-five-politicians-is-on-medication-for-depression-claims-andrew-robb/news-story/9a63e04d5bfba8d4b7bffb9cdbff336f>

The remoteness of Canberra from the electorates and homes of many MPs has been cited as a source of strain that is particularly acute for Australian federal parliamentarians. In an article published in *Meanjin Quarterly* in June 2017, political commentator Katherine Murphy noted of federal politics, ‘Parliament sits for half a year in Canberra. If you are in state politics, you can go home at night. Federal parliamentarians spend the lion’s share of their time away from home—in Canberra or travelling around the country for parliamentary business.

For senior players, holidays are brief. Often people are no sooner on holidays, promising their kids and partners their total attention, than the phone rings. A crisis has arisen, they are required back in Canberra. They worry about the impact on their most intimate relationships.’ <https://meanjin.com.au/essays/political-life/>

The strain imposed on politicians’ family lives can be very great. Former Labor MP Kate Ellis, who resigned from federal Parliament at the last election to spend more time with her family, has stated, ‘Going from having a normal family life to spending a third to half of your time on the other side of the country places a different pressure on your relationship. Even if everyone is behaving themselves, it is still hard to manage.’

<https://www.theguardian.com/australia-news/2019/jun/29/an-enormous-price-to-pay-can-politicians-live-a-sane-and-balanced-life>

Newly elected MPs arriving at the federal Parliament were specifically warned by Mike Freelander, a paediatrician and MP for the suburban Sydney seat of Macarthur, ‘Don’t lose track of your family.’ <https://www.theguardian.com/australia-news/2019/jun/29/an-enormous-price-to-pay-can-politicians-live-a-sane-and-balanced-life>

Before granting Victorian parliamentarians a salary increase, the Victorian Independent Remuneration Tribunal conducted a general survey among Victorian citizens to gauge their views on the value of the tasks performed by parliamentarians. The politicians who responded to the survey reported work-related health problems, long hours, stress on their families and other relationships and driving more than 36,000 kilometres each year on average on their constituency business. <https://www.theage.com.au/politics/victoria/mps-say-stress-from-social-media-warranted-their-large-pay-rises-20190919-p52t3b.html>

It has also been noted that the instability and uncertainty of a career in politics warrants higher remuneration. Corporate Governance expert Tom Baxter from the University of Tasmania has stated, ‘They have less job security than most positions in that they have a substantial performance review every election cycle. [They] are liable to be sacked by the electorate without any further compensation. It’s a high-risk job, it’s in the public profile, standing for parliament and sacrificing a lot of their anonymity... those sorts of factors... [should be taken] into account.’ [https://www.abc.net.au/news/2019-09-02/does-sue-hickey-have-a-point-about-her-\\$190000-salary/11472090](https://www.abc.net.au/news/2019-09-02/does-sue-hickey-have-a-point-about-her-$190000-salary/11472090)

5. Substantial remuneration can improve politicians’ performance

Those who support a high level of remuneration for Australian parliamentarians argue that where politicians are paid more highly their performance improves.

Studies conducted overseas have suggested that higher salaries improve politicians’ productivity. Peverill Squire, a political science professor at the University of Missouri, has a body of research measuring the impact of salaries on state lawmakers across the United States. Squire’s research further indicates that more professionalised legislatures (meaning legislatures that meet longer and supply lawmakers with higher salaries and more staff) pass a greater percentage of bills overall and enact more bills per legislative day. Squire also noted that turnover of representatives declines as salary levels increase and that lawmakers in legislatures with a higher degree of professionalisation ‘have more contact with their constituents’ and ‘are more attentive to their concerns’.

<https://www.gothamgazette.com/state/6651-does-higher-pay-attract-better-politicians>

Studies conducted of the Brazilian legislature have shown similar results. Economists Claudio Ferraz and Frederico Finan https://eml.berkeley.edu/~ffinan/Finan_MPoliticians.pdf have found that higher salaries improved politicians' performance in office, as measured by both the number of bills submitted by legislators and the number of bills approved, which they believe may be due to the higher incentive to be reelected.

<https://www.gothamgazette.com/state/6651-does-higher-pay-attract-better-politicians>

Similar results have been found when looking at the effect of higher salaries on the performance of local mayors in Italy. A study first published in 2008 has suggested that mayors with higher salaries were more successful in decreasing the size of the local government and increasing the efficiency of local bureaucracy. They were better able to reach important social goals in the analysed period.

http://www.tommasonannicini.eu/media/works/files/Pay_Pol_JEEA.pdf The study also claims that this effect on performance was mostly driven by the selection of more competent politicians, rather than by the incentive to be re-elected. Higher salaries attracted candidates that had more alternatives in the private sector and a better educational level.

<https://voxukraine.org/en/mps-salaries-in-ukraine/>

Singapore has also been offered as an example of a jurisdiction in which high salaries for political representative and administrators has result in high standards of governance. In 2018, the prime minister of Singapore received a salary of \$1.6 million. This is four times the remuneration received by the president of the United States and also nearly four times what is earned by Australia's prime minister. A Singaporean minister's salary in 2018 was \$800,000. Ministers also receive a performance bonus determined by the prime minister. Civil servants are also very well paid by international standards.

<https://www.politico.com/interactives/2019/how-to-fix-politics-experiments/>

This high rate of remuneration appears to have had positive results on ministers' performance. Singapore ranks first in the World Bank's most recent Government Effectiveness index; the Corruption Perceptions Index gives it an 85 out of 100, whereas the United States is at only 71; and Singapore comes in second, just after the United States, in the World Economic Forum Global Competitiveness Index.

<https://www.politico.com/interactives/2019/how-to-fix-politics-experiments/>

Marie dela Rama, a lecturer in management at the University of Technology, Sydney, has argued that paying public servants a competitive wage has been intrinsic to Singapore's economic transformation. Dela Rama states, 'High salaries are part of the meritocratic...culture where talent is rewarded, not underappreciated.'

<https://www.politico.com/interactives/2019/how-to-fix-politics-experiments/>

Arguments opposing the salaries Australian politicians receive

1. Highly remunerated parliamentarians are unaware of the living conditions of a majority of Australians

It has been claimed that parliamentarians lose touch with the concerns of their electorates when they earn vastly more than most people whom they are supposed to represent. The core concern is that the more remote politicians become from the life experiences of those who elect them, the less able they are to frame policies that genuinely advantage their constituents. From this perspective high parliamentary salaries are an impediment to representative government. On May 9, 2019, The Guardian published a comment by Amethyst De Wilde in which she stated, 'The question here is: do we want an elite-driven model of parliamentary democracy or a representative one?' <https://www.theguardian.com/australia-news/2019/may/09/ask-a-policy-expert-how-much-do-we-pay-for-our-politicians> In an

opinion piece published on the ABC News site on July 4, 2019, author Tom Dunlop stated, 'Our current system of representative democracy is in fact hugely unrepresentative. On almost any axis you choose...our parliament looks nothing like the country itself. Worse still, it is dominated by professionals who have little experience of life outside the rarefied air of party politics.' <https://www.abc.net.au/news/2019-07-04/power-in-australia-how-can-democracy-better-represent-the-people/11199382>

Unions Tasmania secretary, Jessica Munday, recently criticised a call for a pay increase from the Tasmanian speaker in the lower house, claiming that it indicated the parliamentarian's remoteness from the living conditions which face most of the state's electorate.

Munday stated, 'When you think of the minimum wage, [the speaker is] earning five times that amount and she's on a wage that most Tasmanians could only dream of getting. It's an absolutely tone-deaf and an out-of-touch comment to suggest that a politician on \$190,000 plus extras is in need of a pay rise.' [https://www.abc.net.au/news/2019-09-02/does-sue-hickey-have-a-point-about-her-\\$190000-salary/11472090](https://www.abc.net.au/news/2019-09-02/does-sue-hickey-have-a-point-about-her-$190000-salary/11472090)

It has been claimed that governments make inappropriate decisions because, from their position of relative financial privilege, they are unable to appreciate the difficulties faced by those living on far less than they are. This point is made, for example, by those who criticise the failure of successive governments to increase the unemployment allowance, Newstart.

On July 23, 2019, The Guardian featured a reader comment which condemned the federal government for its remoteness from the situation of those attempting to survive on unemployment benefits. The reader stated, 'Everyone is aware that Newstart is much too low and the recipients are struggling just to survive, except, of course, those who inhabit the big white house [Parliament House] on the hill in Canberra.

They, who must be treasured, say that the benefit is only paid to help the unfortunate secure another paid position; however, the treasured lot are so out of touch with most happenings outside their famous bubble, they can't or won't see the actual truth of the matter.'

<https://www.theguardian.com/australia-news/2019/jul/23/one-of-the-worst-how-newstart-compares-to-unemployment-payments-in-rest-of-the-world#comment-131275551>

Similar charges of inexperience and indifference have been raised by other recipients of government allowances who claim that parliamentarians are unaware of the problems faced by those on benefits. One listener comment to ABC AM noted, 'If you make more money than what people on Newstart are getting...[you do not know] what it feels like.

If you've never had to worry about whether or not you can get something as simple as toilet paper, then you're not going to know what it's like.' [https://www.abc.net.au/news/2018-05-03/liberal-backbencher-challenged-to-live-on-\\$40-a-day/9720950](https://www.abc.net.au/news/2018-05-03/liberal-backbencher-challenged-to-live-on-$40-a-day/9720950)

Similar accusations were made in an editorial published in The Socialist on July 12, 2018.

The editorial stated, 'The haughty attitudes of Liberal and Labor MPs alike show just how out of touch these politicians are. One example is the Liberal MP Julia Banks who recently said that she would have no problem living on \$40 a day. Her actual income is \$200,000 a year and she owns five houses!' <https://thesocialist.org.au/increase-welfare-payments-now/>

The same accusation of remoteness from the concerns of those of the electorate who are struggling has been made regarding job shortages. On August 12, 2019, The Guardian reported a statement from Labor's shadow minister for families and social services, Linda Burney. Ms Burney stated, 'The Liberals and Nationals are out of touch with how hard it is to get a decent job – and the [fact that the] economy simply isn't delivering for working Australians.' <https://www.theguardian.com/australia-news/2019/aug/12/number-of-people-on-newstart-rises-in-10-of-areas-despite-national-improvement>

In June 2015, then federal treasurer, Joe Hockey, was similarly lambasted for his disconnection from those who cannot afford to buy a home. The Treasurer stated, 'The starting point for a first home buyer is to get a good job that pays good money. If you've got a

good job and it pays good money and you have security in relation to that job, then you can go to the bank and you can borrow money...’ The Treasurer’s remarks were condemned as simplistic, unrealistic and demeaning. They were criticised as indicative of the views of a parliamentarian who ‘just doesn’t get the pressure families are facing’.

<https://www.smh.com.au/politics/federal/joe-hockeys-advice-to-first-homebuyers--get-a-good-job-that-pays-good-money-20150609-ghjqyw.html>

2. High levels of remuneration are not a protection against political corruption

Those who argue that Australia pays its politicians too highly argue that high salaries are not an automatic protection against corruption.

Overseas studies have produced mixed results in terms of the effect of politicians’ level of remuneration on their readiness to take bribes or misuse government allowances. For example, a 2017 study on the effects of pay rates on the corrupt behaviour of local politicians in Spain concluded, ‘relatively higher wages do not reduce politicians’ incentives to be corrupt, so that public sector wages are not an effective mechanism to deter corruption in the case of Spanish municipalities. Despite the fact that politicians earn high wages, some of them may continue to engage in corrupt practices because of their own psychological or moral makeup, or because some of the bribes offered may be too attractive.’

<https://www.sciencedirect.com/science/article/pii/S1138489117300092#sec0045>

A study published in The Guardian on July 1, 2013, comparing politicians’ salaries from a wide range of countries with the level of political corruption detected within those countries has demonstrated no clear correlation between politicians’ remuneration and their propensity to act corruptly.

The study notes, ‘Italy provides the clearest example, receiving the worst score for corruption and demonstrating the biggest discrepancy between MPs salaries and national income.’ This means, of the countries studied, Italy, the one showing the highest level of corruption, was also the country whose politicians were most highly paid relative to the average wage earned by Italian workers. The study concluded, ‘It seems we have reason to be concerned that higher wages may not attract individuals with the best credentials on corruption.’

<https://www.theguardian.com/politics/reality-check/2013/jul/01/do-higher-mps-wages-encourage-corruption>

In an article published on December 17, 2013, The Anti-Corruption Resource Centre noted, ‘The extent to which salary top-ups can be used as an anti-corruption strategy must be seen in the context of how salaries can reduce or increase incentives for corruption. Evidence in this regard remains largely inconclusive. There is, however, an emerging consensus that increasing salary may not be sufficient for reducing corruption, in the absence of effective controls and management of staff and resources.’

[https://knowledgehub.transparency.org/assets/uploads/helpdesk/Salary_top-](https://knowledgehub.transparency.org/assets/uploads/helpdesk/Salary_top-ups_and_their_impact_on_corruption_2013.pdf)

[ups_and_their_impact_on_corruption_2013.pdf](https://knowledgehub.transparency.org/assets/uploads/helpdesk/Salary_top-ups_and_their_impact_on_corruption_2013.pdf) It would appear that of themselves high salaries are not sufficient incentive to eliminate or even reduce corruptions if effective regulatory measures are not also put in place. The same conclusion was made in a wide-ranging 2017 study which stated, ‘low wages are not the only cause of corruption; the poor state of the public administration... also strongly affects the corruption.’

[https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-](https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences)

[consequences](https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences) Again, other efficient anti-corruption measures beyond political salaries are needed to avoid or reduce corruption.

Although internationally Australia has a reputation for low levels of political corruption, critics note that that level of corruption is increasing rather than decreasing. There have been many suggestions that the country needs to take action, beyond salary increases for its politicians to ensure that this trend does not continue.

A parliamentary report issued in May 2017 stated, 'Australia continues to be perceived as one of the least corrupt countries in the world. Its score of 79/100 in Transparency International's latest Corruption Perceptions Index gave it a ranking of 13 out of 168 countries. However, its decline on this index in recent years (from a score of 85 and a rank of seven in 2012), and continued revelations of corrupt conduct in the public and private sectors and some unions, highlight the need for continued attention to Australia's anti-corruption and integrity framework.'

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook45p/CorruptionIssues

Australia's readiness to combat corruption has been criticised in other publications. In a comment published by the Australian Institute of International Affairs on February 5, 2019, it was stated, 'Transparency International (TI) has released its 2018 Corruption Perception Index (CPI). Australia is highlighted as one of the "decliners" although its score remained the same (77) as last year.' Australia has been condemned for a lack of political will to act against corruption. 'For example, [consider] the self-imposed pledges of the Australian government at the 2016 London Anticorruption Summit. Only one of seven commitments has been enacted: the creation of an International Anti-Corruption Coordination Centre, actually established by the UK, which Australia has just joined. New Zealand, in contrast, has only one inactive commitment and none that are overdue or have been dropped.'

<http://www.internationalaffairs.org.au/australianoutlook/australias-orange-ranking-corruption-perception-index/>

The Australian Open Government Partnership has noted problems with political finance, donations and lobbying. It has stated, 'Disclosure of political donations is not timely, with delays in publication of party funding of up to 19 months after elections. This means that electors cannot exercise their vote in an informed way and there are increased possibilities of skewing democracy with secret donations and vote buying. It is of little use to the democratic process if the law allows donations to be declared many months after an election. The risks of corruption are heightened by inconsistencies in Commonwealth and State legislation relating to electoral finance, disclosure and lobbying...' <https://opengovernment.org.au/working-groups/anti-corruption/>

3. Australian parliamentarians are overly remunerated by international standards

Critics of the salary levels of Australian parliamentarian, state and federal, argue that they are excessive when compared to the remuneration received by leaders and elected representatives in other countries around the world.

By international standards, Australia's parliamentary leaders and its members of parliament are among the highest paid. The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 36 member countries, founded in 1961 to stimulate economic progress and world trade. In May 2018, the market research firm, Investors Gold Index (IG) published an analysis of the respective salaries received by the leaders of the 36 OECD countries. The analysis revealed that then prime minister Malcolm Turnbull was the highest paid of all OECD leaders.

<https://www.smh.com.au/politics/federal/at-528-000-a-year-turnbull-s-pay-is-highest-of-any-leader-in-oecd-20180526-p4zhp5.html>

Malcolm Turnbull was paid \$527,854 per annum; Alain Berset, the president of Switzerland was paid \$482,958 per annum; Donald Trump, the president of the United States was paid \$400,000 per annum; Angela Merkel, the chancellor of Germany was paid \$369,727 per annum and Jacinda Ardern, the prime minister of New Zealand was paid \$339,862 per annum. <https://www.ig.com/au/forex/research/pay-check/#/salary>

In a report published on May 26, 2018, The Sydney Morning Herald stated, 'Mr Turnbull is not only ahead in absolute terms but also relative to the average worker and gross domestic product per capita.

Only Mexican President Enrique Pena Nieto has a higher rate of pay compared with the wages of most workers, at 10.8 times the average Mexican pay packet. Mr Turnbull follows closely behind at 10.14, trailed by New Zealand Prime Minister Jacinda Ardern at 8.6 times the average wage.' <https://www.smh.com.au/politics/federal/at-528-000-a-year-turnbull-s-pay-is-highest-of-any-leader-in-oecd-20180526-p4zhp5.html>

It is unlikely that the Australian electorate considers its prime ministers merit this level of remuneration relative to other world leaders. Their high rate of remuneration does not equate with high levels of community support for Australia's prime ministers. In a report published in May 2018, the Australian Election Study revealed that since 2010 no Australian prime minister has scored more than five out of ten for community satisfaction with their performance. <https://www.abc.net.au/news/2018-05-30/australians-dont-trust-politicians/9791042>

Australia's federal parliamentarians have similarly high rates of pay relative to political representatives in other countries. A report published in Quartz in March 2014 provided a comparison of the salaries received by Australian parliamentarians compared to those of other nations. Again, Australian MPs are the most highly paid. As of March 2014, Australian MPs received \$201,200 per annum, Italian MPs received \$182,000 per annum, United States representatives received \$174,000 per annum, Japanese MPs received \$149,700 per annum, German MPs received \$119,000 per annum, British MPs received \$105,400 per annum, French representatives received \$85,900 per annum and Spanish MPs received \$44,000 per annum. <https://qz.com/183305/in-italy-members-of-parliament-make-five-times-more-than-the-average-worker/>

Critics of this level of remuneration argue that the essential job of an Australian MP is not intrinsically more difficult than that of representatives in other countries. Some defenders of MPs salaries note that the size of the Australian continent and the inevitable travel demands placed on Australian federal politicians help to justify their high remuneration. However, it has been noted that members of the United States Congress (representing a country as large as Australia) are paid less and as of August 2018 had not received a pay rise since 2012. <https://www.stuff.co.nz/national/politics/106445791/politicians-pay-around-the-world-how-our-mps-salaries-stack-up>

4. High levels of remuneration for parliamentarians promote resentment and hostility among the electorate

Critics of parliamentary salaries being set at current levels argue that the relatively high rate of remuneration parliamentarians receive compared to the average wage contributes to the electorate's resentment and hostility toward politicians.

In 2018 the Democracy 2025 project of the Museum of Australian Democracy and the University of Canberra released research which found that trust in democracy in Australia has dropped from 86 percent in 2007 to 41 percent in 2018. This was indicated by falling trust in politicians and political parties, and a lack of confidence in the capacity of the government to address the public's concerns. <https://www.theguardian.com/australia-news/commentisfree/2019/jul/19/australians-faith-in-politics-has-collapsed-how-can-we-reimagine-democracy>

Dissatisfaction with parliamentarians' salaries is part of this nexus of distrust and disapproval. There are concerns among the electorate that parliamentarians act out of self-interest, that is, that they are not concerned about the well-being of their constituents and are only in politics for their lucrative salaries. There are also concerns that parliamentarians'

performances do not justify their pay rate, that is, that they are either lazy or incompetent and do not earn their high salaries.

The Constitution Education Fund of Australia (CEFA) has outlined some of the bases for popular dissatisfaction with parliamentarians and the salaries they receive. The CEFA's Internet site states, 'CEFA staff are often asked many questions about our Constitution and system of government when attending social events and we always hear a whinge about pollies' pay. We are told things like "our elected representatives are only doing the job for the money" and "that once they get into the Parliament, they're on the gravy train for life".'

<http://www.cefa.org.au/ccf/why-are-we-so-outraged-our-politicians-get-paid>

Many within the electorate compare parliamentarians' pay rates, which are generally between two and three times greater than the national average, with their own and dispute that these politicians are worth the much greater remuneration they receive.

In a letter to the editor published in The Sydney Morning Herald on December 2, 2012, Brad Patten complained, 'If politicians are getting the same holidays as our teachers, shouldn't they be getting the same pay? There is a huge disparity between politicians and the public servants they represent, many of whom have recently lost their jobs. This year our politicians were awarded on average a \$49,500 a year pay rise compared with teachers' average increase of \$2100. Politicians are getting pay rises equivalent to a starting teacher's salary, and also the same amount of holidays? You've got to be joking.'

<https://www.smh.com.au/politics/federal/do-we-get-value-for-money-from-our-politicians-20121201-2ankf.html>

The same type of complaint was made in response to the recent pay rise received by Victorian parliamentarians. Many Victorians consider such a pay rise inequitable at a time when the wages of other workers within the state are being constrained. They are concerned that parliamentarians generally apply one set of standards to themselves and another to the rest of the community.

In September 2019 the Police Association of Victoria published a comment regarding the parliamentarians' salary increase on the Association's Internet page. It stated, 'The state's politicians have pocketed two generous pay rises within months, taking backbencher salaries to \$182,000 and making Mr Andrews the highest-paid premier in the land...

This year, state MPs were already gifted a 2.92 per cent pay rise, which took their base salary and expenses to \$176,244 and the premier's basic package to almost \$400,000.

The decision of the tribunal — designed by the government and made up of three career public servants — undermines a push by the Premier and Treasurer to rein in the wages of paramedics, firefighters, teachers and police.

It has already sparked anger from unions fighting back against the wage clampdown and comes just 77 days after all state politicians received another 2.92 per cent hike.'

<https://www.tpav.org.au/news/news-coverage/2019-news-coverage/victorian-state-mps-get-new-pay-rates-set-by-independent-tribunal>

The Association's comment underlined the hypocrisy many Victorians believe is shown by politicians' attitude to their own rates of pay and the inflated notion they have of the worth of their work compared to that of the rest of the state. The Association's comment stated, 'Unions took aim at the government, with CPSU state secretary Karen Batt warning about anger over double standards. Victorian Ambulance Union general secretary Danny Hill said paramedics would use the disparity at the bargaining table.

"I was told at one point the tribunal asked politicians how hard they felt they worked," Mr Hill said. "I'm assuming they said four or five times harder than a paramedic, because that's exactly what they've been awarded.'" <https://www.tpav.org.au/news/news-coverage/2019-news-coverage/victorian-state-mps-get-new-pay-rates-set-by-independent-tribunal>

5. High levels of remuneration are not a guarantee of competence

Those who criticise the salary levels of Australian politicians also tend to argue that these remunerations have not resulted in competent performance.

Dissatisfaction with the calibre and performance of Australian politicians is highest among Australians aged over 50. This is concerning as this is the group which has had most life experience of Australian governments.

The Museum of Australian Democracy (MOAD) has noted that among this group, only 41 percent are confident of politicians' ability to manage the economy. 48 percent question competence in issues of Climate Change; 47 percent doubt government's ability to manage Industrial Relations and Health and Medicare. Moreover, 52 percent of Australians over 65 feel that the Government is run for big interests, whereas only 15 percent feel that it is run for the benefit of all. <https://www.moadoph.gov.au/blog/why-grey-australians-no-longer-trust-their-politicians/#>

An analysis by MOAD of the reasons for this high level of dissatisfaction with politicians' performance indicates that the electorate considers that 'politics as too adversarial, self-serving and disconnected from the needs and aspirations of everyday Australians'.

<https://www.moadoph.gov.au/blog/why-grey-australians-no-longer-trust-their-politicians/#>

On December 4, 2018, The Policy Space published an article by Professor Mark Evans, Director of Democracy 2025; Gerry Stoker, Professor of Governance at University of Southampton and the Institute for Governance and Policy Analysis and Max Halupka, a research fellow at the Institute for Governance and Policy Analysis, University of Canberra. The authors of this article noted that a number of recent surveys had revealed a high level of dissatisfaction among Australians with the performance of these politicians and that this was spread across all age groups. <https://www.thepolicyspace.com.au/2018/04/272-trust-and-democracy-in-australia-democratic-decline-and-renewal>

The three authors further note, 'Fewer than 41 percent of Australian citizens are currently satisfied with the way democracy works in Australia down from 86 percent in 2007. Public satisfaction has fallen particularly sharply since 2013 when 72 percent of Australian citizens were satisfied.' Voters are concerned 'That politicians are not accountable for broken promises; that they don't deal with the issues that really matter; and that big business has too much power.'

The authors concluded, 'In sum, politicians, government ministers, media and political parties are deeply distrusted because the majority of Australians dislike conflict-driven politics in Canberra which they perceive to be disconnected from their everyday lives. There are three dimensions to this trust divide – perceptions that politicians lack integrity, empathy and simply don't deliver on the issues that citizens care most about. But it is not just about the behaviour of politicians but also about getting things done (e.g. addressing cost of living concerns such as rising energy bills).'

<https://www.thepolicyspace.com.au/2018/04/272-trust-and-democracy-in-australia-democratic-decline-and-renewal>

It has been argued that many of Australia's politicians are psychologically unsuited to the job they have been elected to perform and that this is a factor not affected by the level of remuneration they receive. It has been claimed that in order to ensure more competent performance, party should make psychological assessment part of their pre-selection process for political candidates.

Associate professor Denise Jepsen, an organisational psychologist at Macquarie University, who has conducted surveys of the attitudes of NSW Liberal party members to party reform, has stated, 'The risk you run at the moment, without psychological assessment, is that someone who gives a great speech to the pre-selection committee, and has done a few months wining and dining the right people may give a misleading presentation.'

<https://www.theage.com.au/national/victoria/politicians-should-be-psychologically-assessed-says-hr-expert-20150621-ghtsj.html>

Director of the Mind Group, psychologist Julian Tatton, has noted, 'Voters deserve to know that their candidates have at least reached a minimum level of political competence. To know, for example, whether Joe Hockey's [former federal treasurer] or Tony Abbott's [former prime minister] gaffes are examples of incompetence or just human error.' Currently, it is argued, the electorate has few objective measures of a politician's competence.

<https://www.theage.com.au/national/victoria/politicians-should-be-psychologically-assessed-says-hr-expert-20150621-ghtsj.html>

Further implications

The perception that Australian politicians are extravagantly paid by world standards is probably exaggerated.

Australia's prime minister, Scott Morrison, currently earns 6.4 times the average wage. This places him sixteenth on the list of world leaders ranked by level of remuneration relative to what their countries' citizens earn. Ahead of Australia's national leader is Cyril Ramaphosa, the president of South Africa, who, with an annual salary of \$341,802, earns nearly 20 times the average wage in his country. Singapore's Lee Hsien Loong earns over 17 times what the average citizen earns, while India and Russia's leaders earn 11 times their countries' average wage. <https://www.businessinsider.com.au/political-leader-pay-ranked-2018-10>

Australia's differential between the rate at which its leader is paid and the wage received by the average of its citizens is directly comparable to that of the leaders of Italy, Belgium, Switzerland, the United States, Egypt, Mexico and Japan.

<https://www.businessinsider.com.au/political-leader-pay-ranked-2018-10>

Dissatisfaction with the salary that a political leader or other politicians earn seems to have more to do with the electorate's view of their performance than with the absolute figures involved. The British Taxpayers' Alliance considers British parliamentarians vastly overpaid https://www.taxpayersalliance.com/are_mps_underpaid_fgf9wojjklkb6oknkaxqi74ipy; however, the British prime minister, earning \$282,716 per annum is paid 4.5 times the average British citizen. This places him 23rd on the list of world leaders ranked by level of remuneration relative to what their countries' citizens earn and directly comparable with the leaders of France, Luxemburg, Iceland, Denmark and Sweden.

<https://www.businessinsider.com.au/political-leader-pay-ranked-2018-10>

Part of the issue in Britain appears to be the lack of confidence the country has in its political leaders (currently exacerbated by the Brexit crisis). It has been argued that there is a large social and economic disconnect between the majority of the British electorate and those who govern them. In a comment published in The Guardian on March 20, 2019, Aditya Chakraborty noted the substantial difference in background between career politicians and the electorate which has feed a belief that parliamentarians do not appreciate the concerns of those they govern. Chakraborty wrote, 'Of the MPs elected in 2017...over half had come from backgrounds in politics, law, or business and finance. In fact, more MPs come from finance alone than from social work, the military, engineering and farming put together. That winnowing-out of other trades and ways of life has a direct consequence on our law-making.' <https://www.theguardian.com/commentisfree/2019/mar/20/britain-democratic-crisis-broken-link-voters-mps>

A similar disconnect between electorate and lawmakers appears to be occurring in both the United States and Australia. American political scientists, Martin Gilens and Benjamin Page, analysed 1779 legislative outcomes over a 20-year period and concluded that 'economic elites and organised groups representing business interests have substantial independent impacts on US government policy, while mass-based interest groups and average citizens

have little or no independent influence’.

<https://www.themonthly.com.au/issue/2014/june/1401544800/richard-cooke/people-versus-political-class>

Similar claims have been made about Australia. Writing in The Monthly in June 2014, the publication’s contributing editor Richard Cooke noted, ‘As the social base of our political institutions has hollowed out, the train drivers, farmers and small-business owners on the backbenches are dwindling, leaving behind lawyers, businesspeople and union officials. Parliament has always been richer, whiter and more male than most of Australia; now it belongs almost exclusively to a different class as well.’

<https://www.themonthly.com.au/issue/2014/june/1401544800/richard-cooke/people-versus-political-class>

It is this sense of a political class acting either against or without reference to the wishes of those they govern that goes a long way toward accounting for the resentment almost uniformly felt toward what Parliamentarians are paid. There is a prevailing sense that they are not doing their job and that they are remote from the average citizen. The dwindling support for the two major parties in Australia, a country which has compulsory voting, is proof of the growing sense of disconnection between politicians and those they claim to seek to represent.