

Agreed summary of oral submission – VFMPA Inc.

Agreed summary of oral submission to the Victorian Independent Remuneration Tribunal forthcoming Members of Parliament (Victoria) salaries and allowances Determination 2023 and review of the Members of Parliament (Victoria) Guidelines

Victorian Parliamentary Former Members Association (VFMPA) Inc.
27 March 2023

Background

- There are just over 300 former MPs in Victoria, and the VFMPA has active contact with about 275.
- The VFMPA's financial membership comprises around 190 former MPs, and the Association provides services to former MPs in care at no cost.
- The VFMPA works closely with the Victorian Parliament, and has also been pleased to see that its past submissions to the Tribunal have been considered.

'No disadvantage' test

- The 'no disadvantage' clauses in the Tribunal's governing legislation clearly demonstrate Parliament's intent that both current and former MPs could be affected by the Tribunal's Determinations. For example, superannuation/pension arrangements can be affected by changes to the current values of salaries and non-salary components. VFMPA submits that the "No Disadvantage" indicates Parliament's intent and should be interpreted broadly.

Post-MP life and the adequacy of the separation payment

- Following an election, the Association contacts MPs who have lost their seat in the following February. Those who have planned their departure are generally better placed to find another role or return to their previous profession. Others with unplanned departures are often shell-shocked to have been 'rejected' by their electorate and require professional help. There can be similar feelings to those experienced by professional athletes whose career is ended earlier than they would have expected.

- Former MPs who previously worked in a profession, such as law, teaching or medicine, can find it difficult to return to their profession. For example, they have been unable to keep up their professional accreditation or registration requirements, or the profession has moved on.
 - One solution would be for the Parliament to support MPs keeping up their professional accreditation while in Parliament.
- The separation payment is preferred to the former resettlement allowance in supporting defeated MPs. However, there can be significant difficulties for defeated MPs in finding suitable employment:
 - As the election falls in late November, the chances of finding suitable employment over the November to February period is low — for a one term MP, this means the payment runs out as the employment market gains strength.
 - Many companies, fearing perceived partisanship, hesitate to take on someone from the opposition party particularly after a change in government.
 - In most cases, it can take more than 6 months to find employment as a norm, and in some cases up to 4 years.
- Consideration should be given to:
 - Whether the separation payment is its serving its intended purpose, given these difficulties
 - The feasibility of support to current/former MPs to complete a tertiary degree, trade or other vocational qualification during their time in parliament, or within two years of leaving. Parliament currently pays for an Australian Institute of Company Directors course but few former MPs end up as company directors.

Work value of an MP

- The role of an MP is changing rapidly, in line with increased community expectations and the speed of electronic communications. For example, the volume of email received is enormous.
- The Tribunal in looking at workload, should consider not just legislation passed by the Parliament, but also legislation which is introduced/debated but does not proceed.
- There are much greater security requirements for MPs compared to in the past.

- The physical barriers to entering an electorate office, and separation between electorate office staff and members of the public who enter offices are an indication of risk to MPs
- There can also be considerable risk to the personal safety of MPs when they are in public.
- Security risks can also affect a MPs family.
- The quality of a democracy cannot be separated from the quality of the people who serve in Parliament. Without quality people, democracy suffers, and remuneration plays a part in attracting and retaining of MPs.