Ref: BS/GOV-08-2019

19 August 2019

**Re: Determination of Victorian Member of Parliament salaries & allowances**

**Dear Sir/Madam**

The Australian Services Union Victoria and Tasmania Authorities and Services Branch represents close to 20,000 members in Victoria, working across the Local Government, Social and Community Services, Water, Energy and Transport Sectors.

Our members in the Victorian public sector help keep Victoria going. They are part of ensuring smooth water supply to Victorians in our water authorities, and work in VicRoads, the CFA and Parks Victoria.

The wages of all our members have been impacted, both directly and indirectly, by the decisions of those MPs whose wages are set to be determined by the Victorian Independent Remuneration Tribunal.

Victorian State MPs have a responsibility to take actions that are in the best interests of all Victorians. The current State Government’s wages policy fails this test. Capping public sector wage increases at 2% for enterprise agreements over one year serves only to drive down wages for all working Victorians, at a time when cost of living pressures are high across the state.

Stagnant wages growth is an anchor on the economy, and this policy will only exacerbate the problem. The ASU’s members working both inside and outside the public sector feel the impact of wage stagnation on our economy.

Governor of the Reserve Bank Philip Lowe has recently cautioned that public sector pay caps are entrenching low wage growth, noting that improved public sector wage rises would likely result in stronger aggregate demand across the economy.
Treasurer Tim Pallas has said that the government must “temper expectations in terms of wages”.

Until the State Government has abandoned this cap and begun bargaining in good faith with its workforce, Victorian MPs as public servants should be held to this same standard.

The Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 states that the tribunal must take into account “any statement or policy issued by the Government of Victoria which is in force with respect to its wages policy.”

Therefore, the ASU submits that the total increase in remuneration for Victorian MPs, including allowances, should not exceed 2% until this cap is increased.

Our members have provided close to 400 submissions, each calling for Victorian MPs to be subject to the same wages policy they have applied to their workforce. These have been submitted separately.

Thank you for the opportunity to provide a submission on this matter.

Yours sincerely

LISA DARMANIN
BRANCH SECRETARY