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PARLIAMENTARY REMUNERATIONS ACT 2014
(Section 9(3)(a))

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REPORT OF THE EMOLUMENTS COMMITTEE

PURSUANT to Section 9(3)*(a)* of the Parliamentary Remunerations Act 2014, I hereby publish the Report of the Emoluments Committee which was tabled in the Parliament of the Republic of Fiji, on 22 May 2024.

Dated at Suva this 3rd day of June 2024.

J. EMBERSON
Secretary-General to Parliament

SPECIAL COMMITTEE ON EMOLUMENTS

Report on the Review of Salaries, Allowances, and Benefits of the Members of Parliament, President, and Speaker and Parliamentary Retirement Allowance Act 1989

PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 145/2023

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CHAIRPERSON'S FOREWORD

The Special Committee on Emoluments (**'Committee'**) was formed by a Resolution of Parliament on Wednesday, 12 July 2023 (**'Resolution'**). However, due to the non-inclusion of other offices such as the Office of the President and Office of the Speaker and the review of the Parliamentary Retirement Allowances Act 1989, an amendment motion was later moved to rectify the anomalies that were previously not included.

In that respect, a new motion for the review of all the offices mentioned above was moved by the Leader of the Government in Parliament, seconded and debated, and was passed as a Resolution of Parliament on Monday, 11 September 2023.

The Committee was required to –

(a) Review the salaries, allowances, and benefits of the Members of Parliament, President, and Speaker as provided for under the Parliamentary Remunerations Act 2014 (**'Act'**);
(b) Review the Parliamentary Retirement Allowances Act 1989; and
(c) Must report back to Parliament at a later sitting.

The Committee initiated its first meeting on 24 July 2023 and collectively agreed to call for submissions from all the respective political parties represented in Parliament. The Committee subsequently received submissions from SODELPA, Fiji First Party, National Federation Party, and Peoples Alliance Party. After receiving the submissions from the respective parties, the Committee felt that it was appropriate to engage an independent consultant to review the salaries, allowances, and benefits of the Members of Parliament, the President, and the Speaker, and then submit a report to the Committee.

The Committee unanimously reached a general consensus on all the proposed amendments to the Act, which are outlined in the matrix enclosed in this Report making this a bipartisan report.

Notwithstanding the submissions received, the Committee's recommendation is basically to reflect the ever-evolving role of the Members of Parliaments in their various roles and functions.

Also, a reduction in the traveling allowance and the salaries of the Prime Minister and the Ministers. After further deliberations and considering the salient points presented, there has been however, a substantial increase in the salaries of the Assistant Ministers, Leader of the Opposition, and the Member of Parliament backbenchers. Great consideration was given to the challenges faced by the Assistant Ministers, Leader of the Opposition, and the backbenchers, and hence why the adjustments were necessary to ensure that they are given adequate support so that they may diligently pursue their legislative, oversight, and legislative roles.

I would like to express my sincere appreciation to all the Honourable Members of the Committee for the production of this bipartisan report; the Hon. Ro Filipe Tuisawau, Hon. Aseri Radrodro, Hon. Alvick Maharaj and Hon. Mosese Bulitavu.

On behalf of the Committee, I commend this Report to Parliament.

Hon. Lynda Tabuya
Minister for Women, Children and Social Protection
Chairperson

Introduction

Pursuant to Standing Orders 129(1), a Special Committee may be established by a resolution of Parliament to carry out the assignment specified in the resolution. It is in that light that on 12 July 2023, the Parliament of Fiji adopted the following motion –

Pursuant to Standing Order 129 the Emoluments Committee be established to review the salaries and allowances of Members of Parliament as provided for under the Parliamentary Remunerations Act 2014, and the Emoluments Committee must report back to Parliament at the September Sitting. The Members of the Emoluments Committee as agreed to by both sides of the House comprised the following –

Hon. Lynda Tabuya; Hon. Ro Filipe Tuisawau; Hon. Aseri Radrodro; Hon. Alvick Maharaj; and Hon. Mosese Bulitavu. At its first meeting which was chaired by the Secretary-General to Parliament, the Hon. Lynda Tabuya was unanimously elected as Chairperson.

The Special Committee on Emoluments commenced its work and progressed with its deliberation on the respective submissions received from the various political parties represented in Parliament. The Committee then agreed to amend the original motion and sought the approval of Parliament to also consider the pensions of all Honourable Members as well as the salaries, allowances, and benefits of the President and the Speaker of Parliament.

The following was then moved in the House on Monday, 11 September 2023 –

In addition to the resolution of Parliament on Wednesday, 12th July 2023, Parliament approves that the Emoluments Committee –

(d) Reviews the salaries, allowances and benefits of the Members of Parliament, President and Speaker as provided for under the Parliamentary Remunerations Act 2014;
(e) Reviews the Parliamentary Retirement Allowances Act 1989; and
(f) Must report back to Parliament at a later sitting.

The motion was seconded and agreed to unanimously.

Methodology

The Committee invited the four political parties represented in Parliament for oral and written submissions[1]. These were the Fiji First Party (FFP), Social Democratic Liberal Party (SODELPA), National Federation Party (NFP), and Peoples Alliance Party (PAP).

The Committee, after receiving submissions from the respective parties and after extensive deliberations decided to engage an independent consultant to undertake an independent review of the salaries, allowances, and benefits of the Members of Parliament, the President and the Speaker.

The Committee then agreed that an expression of interest be issued which was advertised in both the Fiji Sun and Fiji Times (Friday, 18 August and Friday, 8 September 2023) and through the Parliament's social media platform, and letters were dispatched to accounting firms. The Committee received the sole expression of interest from Mr Kevin Deveaux, there were a few other entities that made inquiries however, there was no submission of costs as outlined in the expression of interest, therefore, given that these firms did not fully provide the requirements outlined, they were subsequently eliminated.

Mr Kevin Deveaux is a United Nations Development Programme ('**UNDP**') consultant and has a wide range of experience having undertaken work with the Fijian Parliament as well as other Parliaments in other jurisdictions. He was also involved in the drafting of the Act in its initial stages as well as the Standing Orders.

Mr Deveaux was engaged through the assistance of the UNDP Fiji Parliament Support Project. He was requested to provide a preliminary report to the committee within two weeks and a final report[2] after the completion of his findings.

The Committee also received a submission from the Cabinet office in regard to the Parliamentary Retirement Allowances Act 1989.

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[1] Submissions appended under Appendix 2.

[2] Mr Kevin Deveaux's report appended under Appendix 3.

Recommendation on the Review of the Parliamentary Remunerations Act 2014

The Committee had carefully considered the submissions made by the political party representatives and the independent consultant Mr Kevin Deveaux. The Members had also considered relevant legislation, Parliamentary Papers, previous practices and have had extensive consultations with the Parliamentary Secretariat.

Mr Deveaux has made reference and comparison with other Parliaments such as New Zealand, Australia, Papua New Guinea and Trinidad & Tobago. All these jurisdictions have a similar Parliamentary system with Fiji, they are members of the Commonwealth Parliamentary Association and their systems have evolved from the Westminster model of Parliamentary democracy.

Furthermore, a comparison was also made to the remunerations in the Executive and Judicial Branches of Fiji. There was also some general observation made by Mr Kevin Deveaux that there is a certain skill set that is required to be an MP, Assistant Minister, Minister, Leader of the Opposition, Speaker, Prime Minister, or the President, that is, legal analysis, policy analysis, public consultation, media relations, budget analysis, leadership skills, general management skills and sources of funding during community engagements.

Given the above, the Committee has thoroughly scrutinised the report and aims to ensure fair and reasonable recompense for Members, helping to attract and retain skilled and talented Members that effectively represent the interests of the community. The Committee approached a bipartisan way to make the recommendation and in no way favours any Party or Member.

The Committee would also recommend the following be considered by Parliament in relation to the amendment of the Parliamentary Remunerations Act 2014 –

1. That the remuneration for President and Speaker be removed from the Act and be moved to the Higher Salaries Commission;
2. That the Act should be amended to provide for classification of Ministers and Assistant Minister as Members of Parliament;
3. Amend the Act to require an annual declaration to be filed by Members as to their pecuniary interests, income and assets; and

4. That the Code of Conduct Bill for MP's be brought to Parliament for consideration.

The Committee has decided to recommend the following changes in salaries, allowances and benefits of the President, Prime Minister, Speaker, Leader of the Opposition, Ministers and Members of Parliament –

Salaries

Salaries				
Particulars	**Current**	**Consultant**	**Committee**	**Consultants Comments**
President	F$130,000 Non-tax	$185,000 non-Taxable	endorsed	The Head of State deserves a salary that reflects that the post is both ceremonial and has legal decision-making authority. Given the tax-free status of the salary for the President
Prime Minister	As per Act F$328, 750 Current (↓20%) – F$263,000	$320,000	endorsed	Reduction from the previous salary by 2.5%. In comparison to the Chief Justice Both posts are head of a branch of the government (judiciary and executive) and have the full authority and responsibility to manage and deliver programming
Minister for Economy	As per Act - F$235,000 Current (↓20%) – F$188,000	$200,000	endorsed	These posts have the capacity to make legally-binding decisions and are fully autonomous in their decision-making.
Ministers for Health, Education, Infrastructure and Transport	As per Act F$200,000 Current (↓20%) – F$160,000			All Ministers to be on the same salary base and remove the tier Ministry level.

Other Ministers	As per Act F$185,000 Current (↓20%) – F$148,000			
Assistant Ministers	As per Act F$90,000 Current (↓20%) – $72,000	$120,000	endorsed	Assistant Ministers wil be engaging with the highest and second highest civil servants in their respective ministry and should receive a similar salary.
Speaker	F$150,000	$220,000	endorsed	The Speaker is the head of the legislative branch of the government. The role is important and the salary should reflect the gravitas of the post.
Leader of the Opposition	As per Act F$120,000 Current (↓20%) – F$96,000	$200,000	endorsed	Constitutional office and also shadow Prime Minister. As representation of Fiji in international platforms alongside the Speaker and the Prime Minister.
Members of Parliament	As per Act F$50,000 Current (↓20%) – $40,000	$95,000	endorsed	Each of these posts involve a significant level of autonomy in decision-making and each has the requirement for legal and policy analysis, and general management skills. Open constitution and also all Members are sworn in as MP and added responsibilities allows them to be other office holders.

Allowances

Overseas Travel Per diem				
Particulars	**Current**	**Consultant**	**Committee**	**Consultants Comments**
President	Overseas Travel – 50% UNDP + $300 Incidental	UN DSA x 1.50 + $300 Incidental	endorsed	The current system, even with the reduction already imposed by the current government, is excessive and incentivises overseas travel. Per diems should still be benchmarked to the United Nations (UN) Daily Subsistence Allowance (DSA), but with lower additional allowances. Previously the per-diem rate would mention a DSA + a percentage, the new recommendation is to provide an equation that is DSA + a number. For example: • DSA + 150% = DSA x 1.50 • DSA + 200% = DSA x 2.00
Prime Minister	Overseas Travel – As per Act- UNDP +100%	UN DSA x 2.00	endorsed	
Minister for Economy	Overseas Travel – As per Act - UNDP + 50%	UN DSA x 1.50	endorsed	
Ministers for Health, Education, Infrastructure and Transport	Overseas Travel – As per Act - UNDP + 50%			
Other Ministers	Overseas Travel – As per Act - UNDP + 50%			
Assistant Ministers	Overseas Travel – As per Act - UNDP + 25% Local Travel - F$350 + 30 per meal & F$200 Parliament Sitting Allowance	UN DSA x 1.25	endorsed	
Speaker	Overseas Travel – 100% UNDP + $300 Incidental	UN DSA x 2.00 + $300 Incidental	endorsed	
Leader of the Opposition (LOP)	Overseas Travel – UNDP + 50%	UN DSA x 1.50	endorsed	
Members of Parliament	Allowances – UNDP + 25%	UN DSA x 1.25	endorsed	

Additional Benefits				
Particulars	**Current**	**Consultant**	**Committee**	**Comments**
Prime Minister and	None	Tax and duty-free purchase of a vehicle	endorsed	This benefit was in place prior to 2007 and should be reinstated, given the amount of travel incurred by all MPs in their role as an elected official. Each MP should be eligible for one vehicle per term.
Cabinet Ministers	None	Tax and duty-free purchase of a vehicle	endorsed	This benefit was in place prior to 2007 and should be reinstated, given the amount of travel incurred by all MPs in their role as an elected official. Each MP should be eligible for one vehicle per term.
	None	Ministers and Assistant Ministers shall have access to government quarters in Suva as a form of accommodation at the same rate as all public servants.	endorsed	According to the Ministry of Finance Officers Accommodation Unit, officers stationed temporarily in Suva can access government quarters at 10% of the market rate. The same benefit should be available to Ministers and Assistant Ministers who wish to utilise this form of temporary accommodation in Suva. A Minister or Assistant Minister must make a specific request to the Officer Accommodation Unit to access this benefit.
Speaker of Parliament	None	Official Residency	Official Residency	Prior to 2007 there was an official residence for the Speaker of the Parliament and this benefit should be reinstated. Many jurisdictions in the
Leader of Opposition	None	Official Residency	Official Residency	

			Separate budget and autonomy of office.	Commonwealth provide an official residence for a leader of the opposition and this benefit should be extended to the Leader of the Opposition in Fiji
Members of Parliament[3]	**Local Travel** Accommodation Allowance $350 plus $30 per meal **Travelling Allowance** (Mileage) More than 30KM Motor Vehicle Allowance (2000cc – 0.50c) (2001cc – 0.60c) **Committee Sitting** Allowance $200 per day	Local Travel, Travelling Allowance and Committee Sitting Status quo remains	endorsed However with the following changes for Accommodation allowance - 30km most direct route by road if you are accommodated out of your normal place of residence	
		Tax and duty-free purchase of a vehicle	endorsed	This benefit was in place prior to 2007 and should be reinstated, given the amount of travel incurred by all MPs in their role as an elected official. Each MP should be eligible for one vehicle per term
		maternity leave	endorsed	In order to entice more women and younger Fijians to seek elected office, maternity leave should be instituted in line with the national system for such benefits

[3] including Deputy Speaker, Government/Opposition Whip, and Leader of the House and excluding the Prime Minister, Ministers, Speaker, and the Leader of the Opposition

	Constituency Allowance $10,000/ year	$15,000/year constituency allowance	endorsed	
	Medical and Life Insurance **NA**	Coverage of $100,000 Maximum	endorsed	Though this is a benefit not offered to the public service, it should be extended to all MPs given the duties required for the post(s) and the higher risk related to extended travel. If an MP wishes to continue to make premium payments on the life insurance policy after leaving office, that option should be available
	Maternity Leave **NA**	Parliament should establish a system for maternity Leave	endorsed	To entice more women and younger Fijians to seek elected office, maternity and paternity leave should be instituted in line with the national system for such benefits.
	Gadgets		Members are entitled to keep the provided gadgets after the end of Parliament Term	

Additional Parliamentary Roles Remuneration

The current Act does not reflect that there are posts that are integral to the functioning of Parliament but are not allocated additional remuneration. These posts, including a whip, deputy whip, Deputy Speaker and Leader of the Government, should also be allocated an additional allowance for their additional responsibilities.

Particulars	Current	Consultants	Committee	Consultants Comments
Deputy Speaker		$15,000	endorsed	A significant role in the Parliamentary office presides in the absence of the Hon. Speaker.
Leader of Government		$7,000	endorsed	Are the key players ir organizing and coordinating the business of the Government for any Parliamentary sitting and ir other Parliamentary events The LOG also has procedura role during sitting days anc also important Parliamentary days such as opening of Parliament
Party Whip		$5,000	endorsed	Holds a significant position in the daily functioning and during the Parliament sitting and also for Organizing the Members for any Parliamentary duties
Deputy Whip		$3,000	endorsed	Assist the Whip in fulfilling his/her roles and duties

Recommendation on the Review of the Parliamentary Retirement Allowances Act 1989

The Parliamentary Retirement Allowances Act 1989 was last amended in 2018. The term of Parliament under section 58 of the Constitution of the Republic of Fiji is 4 years from the date of its first meeting after a general election of Members of Parliament. However, the President may, acting on the advice of the Prime Minister, dissolve Parliament by proclamation, after a lapse of 3 years and 6 months from the first meeting. The requirement to have an aggregate period of reckonable service that is not less than 4 years was inconsistent with section 58 of the Constitution where Parliament can be dissolved as early as 3 years and 6 months from the first meeting. The amendment in 2018, *inter alia*, amended section 6 to remedy the inconsistency.

Since July of 2018, there have not been any substantial changes to the Parliamentary Retirement Allowances Act 1989. The Committee through its deliberations recommended that there should be amendments made to the Parliamentary Retirement Allowances Act 1989 so as to align with the evolving economical status and social factors of the country.

The Committee has collectively made the following recommendation for the amendment of the Parliamentary Retirement Allowances Act 1989 .

The Committee supports the following recommendations provided by the consultant Mr. Kevin Deveaux in his report.

Issue	Description	Recommendation
Eligibility – Maximum Years of Service	During testimony before the Committee there were different interpretations of the provisions of Act related to the maximum number of years of service to be calculated for purposes of the eligible allowance. The Act states that the maximum number of years of service is 15 years. Yet, the Act could be interpreted to allow an MP to attain 15 years of service, retire for one or more terms, get re-elected and then restart the clock on another maximum 15 years of service, thus receiving a final allowance after full retirement based on up to 30 years of service.	Ensure the rules do not allow an MP to receive more than maximum years of service calculated toward retirement allowance
Double-Dipping	The Act is not completely clear as to whether or not an MP who retires, receives an allowance and then subsequently gets re-elected can collect the allowance while also an MP or holder of another qualifying post.	Revise the Act to prevent an MP who returns to service to receive allowance while serving as an MP
Severe Disability	The Act has no provision for an MP (or other holder of a qualifying post) who becomes severely disabled before reaching 55 years of age to apply for and receive the full allowance.	The new Act should allow those former MPs with severe disability to receive a full allowance prior to 55 years of age
Ineligibility for Conviction	The Act is unclear as to whether or not a former MP who is otherwise eligible for a retirement allowance is ineligible only while they serve a sentence for bribery or corruption or if such a conviction will make the former member ineligible permanently. A secondary question is whether or not a	Clarify that if a former MP is convicted of bribery or corruption related to their time as an MP (or other qualifying post) then they will lose the retirement allowance permanently. Otherwise, they lose the allowance while they serve

	conviction for bribery or corruption should be linked to the member's work as an elected official or if any conviction, no matter the relevance to the elected post, is enough to make a former member ineligible for an allowance?	their sentence (custodial or non-custodial)
Spousal Eligibility	The Act is clear that only a person who was a spouse to a member while they were elected is eligible for the reduced rate of the allowance after the member's death. However, if the member remarries after retiring and the first spouse pre-deceases the member, should the second (or third) spouse have a right to a portion of the allowance?	No change to current rules. Allowing second or post-MP spouses to receive an allowance will create an unnecessary level of complexity to the allocation of allowances. Spouses who were married to an MP when the MP was serving in office are entitled to a constructive trust and therefore some of the allowance earned by the MP.
Administrator	The Act defines the Administrator as the Secretary to Cabinet, or some other person appointed by the Prime Minister. However, as the allowance is for MPs and other (mostly) elected officials, should the Administrator be a staff person of the Parliament?	Revise the Act to designate Secretary-General of the Parliament as the Administrator of the retirement allowance.
Qualifying Salary	Under the current Act the salary that is the basis for calculating the retirement allowance is the salary the member was receiving in their final year of elected office. This can result in a member who has had a larger income – say, for being a minister or Leader of the Opposition – and then reverts back to the singular role of an MP. Their allowance is calculated based on the salary as an MP, as this was the salary in the member's last year of service. It is not based on the highest salary received by the member, which has an impact on the final calculation of the retirement allowance.	The new Act should calculate the annual salary for allowance purposes based on an average of the three best years in which the former member has earned the highest salary.
Retroactivity	Currently the Act has two application dates – the original from 1989 states that the allowance is only eligible to a member who has been an MP since 1970 and has attained four years of service. The Act was amended din 2016 to reflect the new Constitution of 2013, in which MPs elected under that	In general, retroactive application of legislation is considered bad form. In this case, all new provisions should apply to those that are currently sitting MPs and subsequently elected MPs[4] as of the date of the proclamation of the new Act.

[4] MPs who serve prior to the date the new rules are proclaimed should have their allowance calculated under the current formula.

	constitution may only serve three years and six months for the completion of one term in office. If the formula or other aspects of the retirement allowance are amended, should the Act apply to those who are already receiving an allowance or only to those that will receive a retirement allowance in the future under a new scheme?	
Redrafting	The Act was drafted in 1989. Since that time the format and quality of legal drafting has evolved. Does the Act need to be fully rewritten to reflect these new drafting standards and to make the Act more easily interpreted and understood by beneficiaries?	Draft a completely new Act.
Allowance as a Source of Income	Currently, the Act is silent as to whether or not the retirement allowance assigned to a former member or person who held a qualifying post is considered "income" for purposes of using such an allowance to secure debt or a loan by the former member. *De facto* the allowance is not considered income and, therefore, is not assignable (except for specific exceptions) and cannot be used as collateral or security for a loan or other debt instrument. IT should also be noted that the allowance is tax free, according to the Act, and, thus, is not considered income for tax purposes.	Clarify in the Act that the retirement allowance is not income and cannot be assigned or a lien placed upon it, except as related to debts owed to the State or for settling a divorce or to provide child support.
Eligibility – Qualifying Posts	If the remuneration scheme for MPs is amended to separate salaries for MPs from additional salaries for ministers, assistant ministers and other leadership posts in the Parliament, should the *Parliamentary Retirement Allowances Act* apply to only MPs and the salary attained as an MP? If so, what additional allowance, if any, should be allocated for those that assume such leadership posts in government and Parliament in addition to their MP duties?	Assuming the remuneration scheme is amended to have all MPs receive an MP salary and those that take on leadership posts to receive a separate allowance for that work, it is recommended that the new Act only apply to: ○ MPs ○ Leader of the Opposition ○ Speaker
Eligibility – Minimum Time Served	The Act allows for two separate minimum levels of service for those who hold a qualifying post. For those who served from October 1970 to December 2006, the minimum years of service is four years –	The new Act should state that any MP who has served in Parliament is eligible for a retirement allowance. This should apply to all eligible MPs who have

	equivalent to one term. For those elected after October 2014 the minimum time served to be eligible for an allowance is three years and six months – equivalent to one term. Should a former member be eligible for an allowance who may have served for a period shorter than one term? If so, should this new qualification rule apply for any reason that the MP was unable to serve the current minimum time period, including a no-confidence vote that triggers an early election or an unconstitutional or extra-judicial action that resulted in an MP not being able to complete a full term?	served since October 1970, no matter the length of service.
Eligibility – Maximum Time Served	The current Act has a maximum of years of service at 15 years. Given the fact that parliamentary terms are four years in length, the maximum for purposes of calculating an allowance should be aligned with the length of the terms. Therefore, the maximum years of service should eb 12 years – or the equivalent of three terms of service.	The Act should reflect that the maximum years of service for calculating a retirement allowance is 12 years.
Eligibility – Age at Retirement	The Act allows for a full allowance for those former members who attain the age of 55. For those between the ages of 40 and 55 years, a former member is eligible for a reduced allowance pro-rated based on the proximity of their age to 55 years of age. The current rules have raised two issues. • First, should an MP under the age of 40 be eligible to receive an allowance? Should there be any floor with regard to the age for a former member to receive an allowance? • Second, should a former member who is under the age of 55 years be eligible for the full allowance or should it remain pro-rated. If pro-rated, should such a reduced allowance remain permanently, or until the former member achieves the age of 55 years, at which point the member would be eligible to receive the full allowance?	The Act should reflect a broader scope of who is eligible for a retirement allowance, including: ○ An MP under the age of 40 years is entitled to an allowance at a pro-rated scale that extrapolates from the current schedule which starts at 40 years of age (e.g. – 3.33% less for each year below the age of 40) ○ An MP between the ages of 40 and 55 years should still receive a pro-rated allowance. ○ Where an MP has received a pro-rated allowance before attaining the age of 55 years, when the former member reaches 55 years of age the allowance reverts to the full allowance

Independent Review Process	The current Act does not have a provision for the routine review of the key components of the Act, such as the formula used to calculate an allowance and various eligibility criteria. Is there a need for a review of the Act's provisions ate least once every five or ten years? If so, should that review be conducted independently of the Parliament and members and others who hold a qualifying post, to ensure those benefiting from the review of the retirement scheme are not directly involved in making decisions related to such allowances?	Amend the Act to reflect, as with the proposed review of remuneration, that an independent remuneration and allowances tribunal be established to make determinations with regard to MP benefits and salary.
Allowance Formula	The current formula (as outlined in sub-section A) is somewhat complicated, by most accounts. Can the formula be simplified? Should the formula be amended to reflect a more reasonable allowance for former members? A simple measurement would be to maximize allowances based on serving three full terms.	Amend the formula to the following for calculating the allowance for an MP who serves one or after the date the new rules are proclaimed[5]: $\frac{1}{12} x (Yx Z)$ $= Annual\ Retirement\ Allowance$ Where: *Y = Average Annual Salary based on best 3 years* *Z = Number of years of service as an MP*

MEMBERS' SIGNATURES

22/4/2024

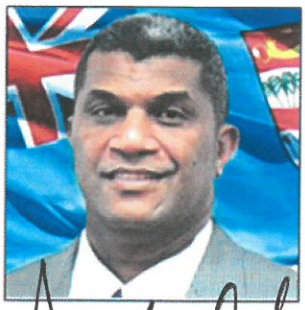
Hon. Lynda Tabuya (Chairperson)

Date

22/4/2024

Hon. Ro Filipe Tuisawau

Date



22/4/2024

Hon. Aseri Radrodro

Date

22/4/2024

Hon. Alvick Maharaj

Date

22/4/2024

Hon. Mosese Bulitavu

Date

PEOPLE'S ALLIANCE PARTY SUBMISSION

PM & MINISTERS SALARIES & ALLOWANCES AND PROPOSED AMENDMENT SUBMISSIONS

Item	Category	Current Remuneration	Current Allowances	Suggested Proposal				Justification	Comments
				PAP	NFP	SODELPA	Fiji First		
1	President	F$130,000 Non-tax	**Overseas Travel** – 50% UNDP + $300 Incidental	$250,000				As Head of State, it is the opinion of the party that he should be appropriately remunerated.	1.Medical Insurance 2. Life Cover. 3. Veh Rebate
2	Prime Minister	F$328, 750	**Overseas Travel** – 250% UNDP + $600 Incidental	Maintain				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel.	1.Medical Insurance 2. Life Cover 3. Veh Rebate
3	Deputy Prime Ministers x 3		**Overseas Travel** – 200% UNDP + $500 Incidental	$200,000				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel Housing Allowance is to ensure that ministers are compensated for a utility that should be the government's responsibility.	1. Medical Insurance 2.Life Cover 3.Housing Allowance 4.Veh Rebate

4	Minister for Economy	F$235,000	**Overseas Travel** – 200% UNDP + $500 Incidental						
5	Ministers for Health, Education, Infrastructure and Transport	F$200,000	**Overseas Travel** – 200% UNDP + $500 Incidental						
6	Other Ministers	F$185,000	**Overseas Travel** – 200% UNDP + $500 Incidental	$185,000				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel Housing Allowance is to ensure that ministers are compensated for a utility that should be the government's responsibility.	1. Medical Insurance 2. Life Cover 3. Housing Allowance 4. Veh Rebate
7	Assistant Ministers	F$90,000	**Overseas Travel** – 100% UNDP + $300 Incidental **Local** - F$350 + 30 per meal & F$200 Parliament Sitting Allowance	$100,000				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel Housing Allowance is to ensure that ministers are compensated for a utility that should be the	1. Medical Insurance 2. Life Cover 3. Veh Rebate 4. Housing Allowance

								government's responsibility.	
8	Speaker	F$150,000	**Overseas Travel** – 100% UNDP + $300 Incidental	Housing				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel Housing Allowance is to ensure that ministers are compensated for a utility that should be the government's responsibility.	Medical Insurance Life Cover Veh Rebate
9	Leader of the Opposition	F$120,000	**Overseas Travel** – 100% UNDP + $300 Incidental	Housing				A basic medical and life cover for all MP's should be the minimum standard. Veh Rebate is for personal travel Housing Allowance is to ensure that the LOP is compensated for a utility that should be the government's responsibility.	Medical Insurance Life Cover Veh Rebate
10	Members of Parliament	F$50,000	**Overseas Travel** – 100% UNDP + $200 Incidental	Insurance				A basic medical and life cover for all MP's should	Medical Insurance Life Cover Veh Rebate

			Local - F$350 + 30 per meal & F$200 Parliament Sitting Allowance Motor Vehicle Allowance (2000cc - 0.50c) (2001cc – 0.60c)					be the minimum standard. Veh Rebate is for personal travel	

NATIONAL FEDERATION PARTY SUBMISSION

NATIONAL FEDERATION PARTY
NFP
Together For Fiji's Future

Submission to Parliamentary Emoluments Committee
Review of Salaries and Allowances of Members of Parliament

Background

Since the resumption of parliamentary democracy on 6th October 2014, this is the second Parliamentary Emoluments Committee to be established under Section 129 of the Standing Orders of Parliament.

And as the honourable Deputy Prime Minister and Minister for Finance said while delivering the 2023-24 National Budget on 30th June, "Everything is connected to Everything Else".

This latest initiative to review parliamentary salaries and allowances is therefore connected to the Parliamentary Remunerations Decree of 3rd October 2014, now known as an Act. It was the last Decree promulgated on 3rd October 2014 by the newly elected Fiji First government, three days before the first sitting of parliament after more than seven-and-half-years of dictatorship.

The then newly elected Fiji First government arbitrarily determined what the salaries and benefits should be for His Excellency the President, Speaker, Prime Minister, Cabinet Ministers, Assistant Ministers and Members of Parliament.

Exorbitantly high salaries were determined for the Prime Minister and Cabinet Ministers. In the case of the PM, the salary hike was 210% from the 2006 salary of the then PM. The Assistant Ministers were given salaries that were more than what was paid to Cabinet Ministers in 2006. And of course Ministers also enjoyed salaries that were at least $100,000.00 more than their predecessors.

Another Committee was endorsed by parliament on 8th July 2016. It was a Special Committee on Emoluments, looking specifically at allowances. One of the members of that Committee, Honourable Alvick Maharaj is also a member of the current Emoluments Committee. Another member part of the current parliament is Honourable Jone Usamate.

That Committee received submissions from Fiji First, SODELPA and NFP. In the case of NFP, our Member Honourable Prem Singh did not attend any meeting because he opposed the manner in which the allowances were going to be determined, without any independent expertise.

Parliamentary paper 81/2016 will confirm what we are saying. Not surprisingly, it ended up as a farcical exercise with astronomical increases to allowances. Parliamentary sitting allowances were increased to $350 per day plus $30 for each of the three meals. This was for Members residing more than 30 kilometres from Parliament. Committee sitting allowances increased from $80 to $200 per sitting.

The overseas travel allowances of the PM and Cabinet Ministers sky-rocketed to an average of $3000 per day for PM and almost $2,500 per day for Ministers.

When the recommendations were put to vote on 29th September 2016, only the NFP voted against it.

Why? It lacked any independence whatsoever.

Unfortunately, these rates still apply to date. While austerity measures forced a reduction in salaries by 20% following the outbreak of Covid pandemic in 2020, the allowances were not slashed.

Independence

Deputy PM and Minister for Finance, NFP Leader Hon Professor Biman Prasad said quite rightly during debate on the motion to establish this latest committee and I quote : -

"But that does not mean that the Parliamentary Emoluments Committee itself will make an assessment because the principle is that, we cannot determine our own salaries and allowances ourselves. So, we need some experts". – Unquote

This Committee must not make any determination whatsoever. It cannot also make recommendations. Otherwise, it will be seen as another body which compromised the independence of this crucial process.

The first task of the Committee should have been to invite Expressions of Interest with the sole purpose of selecting experts totally independent of the Legislature to hear and scrutinise submissions and then make recommendations.

To hear submissions, consult members of the public and taxpayers who are the employers and foot the salary and allowance bill of Members of Parliament, should be the role of the independent experts and NOT the Committee.

If we look back at Emoluments Reports, especially the one in 2003, it was signed by independent personalities and not the Committee. And that was under the 1997 Constitution that made this process thoroughly independent of any parliamentary input whatsoever.

The next sitting is a month away. There is no way this Committee can do justice to the principles of transparency and accountability. It cannot be seen to be shutting the gate when the horse has bolted.

This Committee should neither hear nor receive submissions without the active participation of independent experts. It should not be this Committee's role but that of the experts to scrutinise the submissions.

Therefore, this committee should request for more time to table the report.
And in the interest of transparency, the report shouldn't be compiled or signed by the Members but by experts and only endorsed by the Members.

The committee, in our firm view, should only be the conduit to take the report to the floor of parliament. And clearly not make its own recommendations. Anything to the contrary will compromise the independence of this process.

Recommendations

The NFP notes there are no provisions in the budget documentation that provides for any proposed increase to Salaries and Allowances of Members of Parliament within the current budget year.

This, in our view, harmonizes with the "countervailing economic conditions" provision set out in section 7(a) of the *Parliamentary Remunerations Act 2014* . These countervailing economic conditions such as government debt were also repeatedly referred to by MPs of the Coalition Government during the budget debate. It must be noted that at least 25 percent of the Budget or $1 billion will go towards debt-servicing.

We therefore recommend the following, subject to independent analysis by experts: -

Reduction in salaries by 30% of the Prime Minister and Cabinet Ministers .
Reduction in overseas travel allowances for the Prime Minister, Cabinet Ministers, Assistant Ministers and Members of Parliament

The Deputy Prime Minister and Minister for Finance did articulate further reductions to travel allowances in the budget speech, in line with "countervailing economic conditions" in section 7(a), led by the selfless leadership of the Prime Minister.

>> Hon Prime Minister: current 250 percent per diem loading reduced to 100 percent.

>> Ministers: current 200 percent per diem loading reduced to 50 percent.

>> Leader of the Opposition: current 100% loading reduced to 50 percent.

>> Assistant Ministers and Members of Parliament: current 100 percent per diem loading reduced to 25 percent.

>> All exorbitant incidental allowances currently provided for travel to be removed.

Apart from these reductions, parliamentary emoluments to political party's have increased which allows them to supplement service delivery to voters for all political party's in Parliament (including Opposition) in order to ensure a credible and consistent (year around) footprint in all 4 divisions in Fiji, that political party's are required to honour as per requirements of the Political Parties (Registration, Conduct, Funding & Disclosures) Act.
We also note that the 2023-24 Budget for the Legislature has been increased. We also acknowledge the increase in funding for the political parties and the fact that $10,000 per annum will be provided to each of the 55 MPs as public duty allowance.

This increases should in our view be prudently used to make parliament more accessible to the people in terms of participation either through petitions or getting their issues effectively raised by their elected representatives.

The NFP also respectfully suggests that salaries and allowance determinations for His Excellency the President, and the Honourable Speaker be removed from the *Parliamentary Remunerations Act 2014* and that separate legislation and remuneration determinations are done for these high constitutional offices, as Head of State and the Head of the Legislature the due respect that these offices deserve.

Conclusion

The NFP believes that in order to exemplify good leadership from the highest court of the land, elected Legislators must treat any review of salaries and allowances, at arms length, because of the immediate self-serving inferences that may be drawn. Perceptions do matter in politics.

Furthermore such an independent and impartial determination should consider benefits such as comprehensive insurance cover and pension package -- so that in totality amended salaries and allowances may be considered in the 2024-2025 budget, provided the "countervailing economic conditions" do not prevail.

Friday, August 11, 2023

ENDS

SODELPA SUBMISSION

Social Democratic Liberal Party

"Time for Change"

2st August, 2023.

SUBMISSION - REVIEW OF SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMNET

Submission for the Social Democratic Liberal Party (SODELPA) to highlight the economic and social perspectives regarding remuneration of elected officials in Fiji. The submission raises points and justifications for increasing the salaries of Members of Parliament (MPs):

Increase Salary ($50,000) of MP's to $70,000 per year

Reasoning for increase:

Context: The D`Hondt Election System of One Constituency demands MPs to serve and represent all people, including those in remote areas Inland and Maritime areas. → Boat cost.

Financial Burdens: The traditional and Social obligations of hosting Ministers and MPs place financial burdens on the people that should be paid by the MP's.

Reducing Corruption: Adequate remuneration can reduce the influence of corruption in official duties.

Attracting Competent Leaders: Higher salaries can attract talented individuals to the political and legislative professions, resulting in better service and outcomes for the nation.

Transparency and Accountability: Greater scrutiny of the money paid to MPs can enforce greater accountability, on good governance and ethical behaviour.

Restricting Outside Interests: MPs' salary increase should come with restrictions on outside interests to focus on their legislative duties.

Incentive for Serving the People: Adequate compensation can motivate MPs and Ministers to prioritise the people's interests over special interest groups.

Regulating Traditional Welcoming: Government to regulate the traditional welcoming of Government Ministers and Members of Parliament to simply Sevusevu on official duties and cease the Members of Parliament from receiving anything presented by the Lewenivanua as it may influence the discharge of their duties or may portray them negatively or the Government they represented when their Lewenivanua requests do not materialise although the Member of the Parliament have received and acknowledged the request in the traditional presentation

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On Sitting Allowance Address Requirement

** **Alternative MP Address**:** that members of Parliament be allowed to have an alternative address to their current living address. Thus demand the removal of the 30km limitation requirement for sitting allowance.

Motor Vehicle for MP's

****Vehicle for MP's:**** Reintroducing no tax for vehicle purchases, and offering health and medical insurance for MPs.

Ministerial Remuneration

****Minister's Salary:**** They are to be reviewed by the High Salaries Commission.

Review Parliamentary Allowance

****Mp's Allowance**:**** The allowance of the Prime Minister be reduced to a more generous and relative to the local economy.

Post	Current Rate – Travelling Allowance (UNDP Rate - Per Diem & Incidental)	Proposed New Rate
President	50% and $300	50% and $300
Prime Minister	250% and $600	200% and $300
Cabinet Ministers	200% and $500	150% and $300
Assistant Ministers	100% and $300	100% and $300
Speaker	100% and $300	100% and $300
MP	Accommodation and Travelling	Remain status Quo

Revive Parliamentarian Pension

** **Pension Scheme**:**Review of Pension Scheme for MPs that the eligibility criteria of 55 years be removed and replaced by any MP who has completed 3.5 years is eligible, irrespective of age.Also the amount eligible for pension should be reviewed as current calculation is not feasible.

Viliame Takayawa
General Secretary

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FIJIFIRST PARTY SUBMISSION

SUBMISSION TO THE EMOLUMENT COMMITTEE

FRIDAY O4 AUG 2024

PARLIAMENTARY REMUNERATIONS

Introduction

The Parliamentary Remunerations is established and brought into force through the Parliamentary Remunerations Act 2014. Parliament has approved for the Parliament Emoluments Committee to review Parliament remunerations and report back to Parliament on the outcome of their review. Given that this presentation, is a presentation about our remuneration and is being reviewed by ourselves there is this perception that we will just selfishly be looking after number one . That number one could be a Political Party (FF in our case) or just ourselves individually (Opposition MP). Having an Independent entity review Parliamentary Remunerations neutralizes that perception of looking after number one . But nevertheless, we are grateful and honoured and we would like to thank you for this opportunity to present to you today.

I would like to begin by asking that we try as much as we can to view this process not through a Political Lens but through a Job Evaluation Lens. Hard as it maybe, given the circumstances, we should give it a try.

Current Parliamentary Remunerations

The current remunerations that is payable to Parliamentarians is summarized as follows:

Salary

President	- $130,000 (Not Taxable)
Prime Minister	- $328,750
Minister for Economy	- $235,000

Ministers for Health, Education, Infrastructure and Transport	- $200,000
Other Ministers	- $185,000
Assistant Ministers	- $90,000
Speaker	- $150,000
Leader of Opposition	- $120,000
Member of Parliament	- $50,000

Allowances and Benefits

Allowance and Benefits differ but it s worth noting that medical benefits are only offered to the President and Prime Minister. There is a restriction on who can claim Accommodation and Travelling allowance based on how far one lives away from Suva. Business class travel is restricted also for MPs based on flight hours.

MP Pension Scheme

The current pension scheme for MPs is not fair to young people who want to join Parliament. The pension issue will be dealt with towards the end of this presentation.

Critical Components of an MP

This submission is premised on the following:

1. Members of Parliament are representatives of the People.
2. Members of Parliament form one arm of the State known as the Legislature.
3. Parliament is the Highest Court of the Land.
4. Bulk of the work of the Legislature is done in the Standing Committees and Special Committees that are designated by Parliament.
5. To be an MP should be an employment choice and attractive enough to be a top choice.

Comparative Analysis of Current Salary Relativity to other Parliaments

Table 1: Australian Parliament Salary Breakdown

H To L	COUNTRY:	POSITION:	SALARY:	
			AUD:	FJD:
4	Australia	Speaker	$ 369,700.00	$ 547,710.55
1		Prime Minister	$ 549,250.00	$ 813,713.88
2		Deputy Prime Minister	$ 416,212.00	$ 616,618.08
5		Minister	$ 364,410.00	$ 539,873.42
6		Assistant Minister	$ 264,070.00	$ 391,219.71
3		Leader of Opposition	$ 390,820.00	$ 578,999.83
7		Member of Opposition	$ 211,250.00	$ 312,966.88

In the Australian Federal Parliament, salary is ranked highest to lowest as follows:

PM, DPM, LOP, Speaker, Minister, Assistant Minister, Opposition MP

Table 2: Papua New Guinea Parliament Salary Breakdown

H to L	COUNTRY:	POSITION:	SALARY:	
			AUD:	FJD:
2=	Papua New Guinea	Speaker	$624,000.00	$375,392.16
1		Prime Minister	$806,000.00	$484,881.54
2=		Duty Prime Minister	$624,000.00	$375,392.16
3		Minister	$546,000.00	$328,468.14
4		Assistant Minister	$429,000.00	$258,082.11
2=		Leader of Opposition	$624,000.00	$375,392.16
5		Member of Opposition	$330,200.00	$198,645.02

In PNG Parliament, salary is ranked highest to lowest as follows:

PM, DPM Speaker and LOP, Minister, Assistant Minister, Opposition MP

Table 3: New Zealand Parliament Salary Breakdown

H to L	COUNTRY	POSITION	SALARY	
			NZD:	FJD:
3=	NEW ZEALAND	Speaker	$296,007.00	$405,618.39
1		Prime Minister	$471,049.00	$645,478.44
2		Duty Prime Minister	$334,734.00	$458,686.00
3=		Minister	$296,007.00	$405,618.39
4		Assistant Minister	$249,839.00	$342,354.38
3=		Leader of Opposition	$296,007.00	$405,618.39
5		Member of Opposition	$179,713.00	$246,260.72

In the New Zealand Parliament, salary is ranked from highest to lowest is as follows: PM, DPM, Speaker LOP and Ministers, Assistant Minister, MP (5 Bands).

Table 3: Fiji Parliament Salary Breakdown

H to L	COUNTRY:	POSITION:	SALARY:
			FJD:
5	Fiji	Speaker	$150,000.00
1		Prime Minister	$328,750.00
2		Minister of Economy	$235,000.00
3		Minister with Big Portfolios. Health, Education, Infrastructure & Transport.	$200,000.00
4		Other Minister	$185,000.00
7		Assistant Minister	$90,000.00
6		Leader of Opposition	$120,000.00
8		Member of Opposition	$50,000.00

In Fiji Parliament, the salary is ranked highest to lowest as follows:

PM, Minister for Finance, Ministers for Health, Education and Infrastructure, other Ministers, Speaker, LOP, Assistant Minister, Opposition MPs. (8 Bands)

Comparative Analysis of Current Salary of Parliamentarians to Civil Servants

Comparing Parliamentary Salary and Civil Servants shows a grim picture. To put simply, MPs are paid the equivalent of an ***Army Captain over 2 years***, a ***Superintendent of Police***, a ***Head Teacher of a big Primary school***, or a ***Principal of a small Secondary school***. MPs salary are not even close to Magistrates starting salary. This is not to say that these posts do not deserve these salaries but when we make the comparison with MPs salaries and peg it against the five critical components that I mentioned above, the salary for MPs are quite ludicrous to say the least.

The irony is that Candidates who did not make it to Parliament are given jobs that pay more than all of us in here.

In the latest Cabinet decision, one of the revised eligibility criteria for grant assistance for Housing Assistance for Fire Victims Grant is that it only applies to those that have total household income of $50,000 or below. Currently MPs salary fall into the category of income earners that are expected to be provided with assistance.

Proposed Changes

Salary

President	- $130,000 (Not Taxable)	No change to Salary
Prime Minister	- $328,750	No Change
Minister for Economy	- $235,000	$200,000 ↓
Ministers for Health, Education, Infrastructure and Transport	- $200,000	No Change
Other Ministers	- $185,000	$200,000 ↑
Assistant Ministers	- $90,000	$120,000 ↑
Speaker	- $150,000	$200,000 ↑

Leader of Opposition	- $120,000	$200,000↑
Member of Parliament	- $50,000	$100,000↑

All salaries are inclusive of Constituency allowances.

Justification for the Proposed Changes

1. ***Same salary for all Ministers.*** The current salary difference between different Ministers does not reflect the true burden of workload of different Ministers. It creates the perception that some Ministers/Ministries are more important than others. Giving Ministers the same pay, whatever it maybe, recognizes the equal and important work that Ministries do in building our Nation. Some example of perceived unfairness are:

I. Minister for Tourism is paid $185,000 but Tourism is the biggest contributor to GDP

II. Minister for Women and Children is paid $185,000 but Women and Children combined makes up the biggest population segment of our society.

III. Minister for Finance is paid $235,000 but he looks after a budget of $89.9 million much less than Women and Children, much less then Home Affairs and Immigration.

Recommendation 1: ***Ministers should be paid the same salary.***

2. **Salary relativity should be adjusted to reflect the important work of both the Speaker and LOP.**

I. The current salary relativity from highest to lowest for Fiji Parliament is quite disjointed and illogical given the important roles of Parliamentarians holding key positions of Speaker and LOP.

Recommendation 2: ***The salary of both the Speaker and LOP should be elevated to be in the same band as Ministers.***

3. **Increase Assistant Minister and MP Salary**

The salary relativity between Assistant Minister and Minister is less than 50%. The increase from $90,000 to $120,000 closes the relativity

gap between Ministers and Assistant Ministers. The increase in MP Salary is to take them out of the margins of those that qualify for assistance as highlighted earlier in this paper. At the same time MP Salary is brought up from 25% to 50% of Ministerial Salary.

Recommendation 3: ***Assistant Ministers and MP salaries be raised to close the gap between Assistant Ministers and Ministers and MPs and Assistant Ministers.***

Comparison with other Parliament Salary Relativity

Australia	New Zealand	Papua New Guinea	Fiji (Current)	Fiji (Recommended)
PM	PM	PM	PM	PM
DPM	DPM	DPM/Speaker/LOP	MoF	DPM?
LOP	Speaker/Minister/LOP	Minister	MoH,E,I&T	Minister/Speaker/LOP
Speaker	A/Minister	A/Minister	Other Ministers	A/Minister
Minister	MP	MP	Speaker	MP
A/Minister			LOP	
MP			A/Ministers	
			MP	

ALLOWANCES AND BENEFITS

Health and Medical Allowances

Members of Parliament have a critical role to play in Fiji. Their performance is optimized if as many as possible, of their daily personal concerns are addressed or mitigated up front.

Given this, a Health and Medical Allowance must be provided at an appropriate level at to all Members of Parliament.

Recommendation 4: ***Medical benefits be provided to all Parliamentarians***

Official Travel

Members of Parliament must be accorded the full status of their position. As such when they do travel, they must be accorded Business Class travel and be afforded Diplomatic Privileges. This is in keeping with both the importance of the work they undertake as lawmakers, and their being the physical embodiment of the democratic choice of Fiji citizens.

Recommendation 5: ***All Parliamentarians below PM are to travel Business Class and be issued Diplomatic Passports.***

Sitting Allowance

We recommend that all MPs be paid a Sitting Allowance of $500 per day irrespective of where they live. This allowance will cover travel to and from Parliament, board and subsistence. This will also eliminate the niggardly interpretation of current provisions surrounding such allowances.

In addition to this MPs who reside in Vanua Levu or other islands, are to be compensated for their airfares to Viti Levu for Parliamentary sessions and Committee work.

Recommendation 6: ***Sitting allowances for all MPs to be increased inclusive of Accommodation allowance and the removal of the restrictions on the 30 km distance from Suva.***

PENSION

Parliamentary Pensions meet 2 purposes:

- They serve as an incentive for Fijians to become Parliamentarians, irrespective of age, sex, ethnicity, gender of any other such distinction/characteristic.
- They provide recognition for service accorded to the nation

The formula for Pension must be such that it actively encourages all citizens, and especially our younger people to become Members of Parliament. The current formula does not provide a Pension for former MPs below the age of 40, and it provides a half Pension for those between the ages of 40 to 55. This is both discriminatory and a disincentive to the young who maybe contemplating becoming Members of Parliament. This age restriction needs to be removed.

We recommend further that the formula for pension calculation be revised to achieve the following:

- Maintain an element that recognizes Ministerial contribution
- Raise the pension level of all other MPs

Recommendation 7:

i) We recommend that MPs who have never served as Ministers, be paid a pension on the basis of a salary halfway between that of a Minister and Member of Parliament i.e.
   - Ministers Salary - $200,000 (as per our recommendation)
   - Member of Parliament salary - $100,000 (as per our recommendation)
   - Salary to be used for Pension calculation will be ($200,000 + $100,000) / 2 = $150,000

ii) For MPs who have served as Ministers, the salary on which their pension will be calculated be based on the average of all their previous salaries whilst serving as members of Parliament, provided that this is not less than $150,000 figure being used for all MPs, calculated in (i) above

PARTY GRANT

We appreciate the initiative to provide a grant for each of the Political parties represented in Parliament. We propose that the quantum of this grant paid to each party, be proportionate to the percentage of seats that each party has in Parliament. For example, Party X which has 50% of all the seats of Parliament should receive 50% of this fund.

This principal ensures direct proportionality between the percentages of the PARTY GRANT that each party gets to the percentage of total votes that it has won.

Recommendation 8: ***Party grant be allocated proportionate to seats won.***

CONCLUSION

The recommended changes as proposed will ensure that Parliamentarians are provided the Salary, Allowances and Benefit commensurate with their role as the Legislatures and project the Legislature as an attractive and fair employment choice. This will in turn incentivize women and youth and professionals to stand as potential representatives of the people as candidates in future elections.

SUPPORTING DOCUMENTS

Parliamentary Remunerations Act

Parliamentary Remunerations

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Parliamentary Remunerations Act 2014

TABLE OF PROVISIONS

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Parliamentary Remunerations Act 2014

TABLE OF AMENDMENTS

Parliamentary Remunerations Act 2014 (No 29 of 2014)[1] commenced on 3 October 2014, as amended by:

Amending Legislation	Date of Commencement
Determination of the Parliament of the Republic of Fiji 2016 (GN 997 of 2016)	29 September 2016
Revised Edition of the Laws (Consequential Amendments) Act 2016 (No 31 of 2016)	1 December 2016

[1] This was promulgated as Decree 29 of 2014. In accordance with section 3 of the Interpretation Act 1967, the word "Decree" used with reference to any such "Decree" in the title or provisions of any written law or in any document or legal proceeding may be replaced with the word "Act".

[The next page is 290,201]

AN ACT TO PROVIDE FOR THE DETERMINATION OF THE REMUNERATION OF THE PRESIDENT, THE PRIME MINISTER, OTHER MINISTERS AND ASSISTANT MINISTERS, THE LEADER OF THE OPPOSITION, THE SPEAKER, THE DEPUTY SPEAKER AND MEMBERS OF PARLIAMENT

PART 1 — PRELIMINARY

[PR 1] Short title and commencement

1 This Act may be cited as the Parliamentary Remunerations Act 2014 and shall come into force on the date of its publication in the Gazette.

[PR 2] Interpretation

2 (1) In this Act, unless the context otherwise requires—

Constitution means the Constitution of the Republic of Fiji;

determination means a determination made by Parliament under this Act;

Parliament means the Parliament of the Republic of Fiji;

publicly available, in relation to a document, means that the document—

(a) is available, at all reasonable times, on the websites of Parliament and the Fijian Government;

(b) is available, at all reasonable times, for viewing at Parliament; and

(c) has been published in one or more newspapers circulating in Fiji, at least twice, at intervals of not less than 7 days;

remuneration includes salaries, allowances and benefits; and

Speaker means the Speaker of Parliament.

(2) Terms used and not defined in this Act but defined in the Constitution have the same meaning as in the Constitution.

[The next page is 290,401]

PART 2 — DETERMINATION OF REMUNERATION

[PR 3] Parliament to determine by resolution

3 Parliament shall, by resolution, determine the remuneration payable to the President, the Prime Minister, other Ministers and Assistant Ministers, the Leader of the Opposition, the Speaker, the Deputy Speaker and members of Parliament.

[PR 4] Scope of determinations

4 Subject to sections 5 to 8, for the purposes of making a determination, Parliament may do one or more of the following—

(a) fix ranges of rates of remuneration;

(b) fix alternative forms of remuneration within a remuneration package for any person or group of persons to whom the determination applies;

(c) fix scales of salaries and scales of allowances;

(d) determine, in relation to any person or to any member of any group of persons to which the determination applies, the nature and extent of the allowances and benefits that may be paid in addition to a salary, including—

(i) that no allowances or benefits be paid to him or her other than a salary;

(ii) that only a particular allowance or benefit or class of allowance or benefit be paid to him or her in addition to a salary; or

(iii) the rates of any allowance or benefit or class of allowance or benefit that may be paid to him or her in addition to a salary or the criteria by which, or the limits within which, those rates are to be fixed; and

(e) prescribe rules governing the application of any of the matters described in paragraphs (a) to (d).

[PR 5] Principles to be applied when setting salaries

5 (1) When setting the remuneration to be prescribed in a determination that relates to salaries, Parliament must have regard to the following principles—

(a) the need to achieve and maintain fair relativity with the levels of remuneration received by persons in the private sector;

(b) the salaries must be competitive so that persons of the right calibre are not deterred from stepping forward to lead the country;

(c) the salaries should reflect the ethos of political service which entails making sacrifices;

(d) the salaries must be transparent with no hidden components or perks; and

(e) the need to be fair to the—

(i) person or persons whose salary is being prescribed; and

(ii) taxpayer.

(2) When setting the remuneration to be prescribed in a determination that relates to salaries for any particular person or group of persons, Parliament must also take into account—

(a) the requirements of the position concerned; and

(b) the nature of the entitlements enjoyed by the person or group of persons compared with those enjoyed by persons or members of any group of persons whose conditions of service or employment are comparable with those of the person or members of the group of persons whose remuneration is being prescribed.

[PR 6] Principles to be applied when setting allowances and benefits

6 When setting the remuneration to be prescribed in a determination that relates to allowances and benefits, Parliament must also have regard to the following principles—

(a) that the allowances and benefits payable should be determined in a way that—

(i) recognises the need for public understanding of the work of those persons and, in the case of members, their parties and the services they require to enable them to carry out their roles and functions;

(ii) facilitates the delivery of those services in an efficient and effective manner;

(iii) recognises the need to be fair to the taxpayer;

(iv) promotes transparency in relation to the allocation and use of public money to provide the services necessary for persons and, in the case of members, parties to carry out their respective roles and functions; and

(v) maintains the confidence in and integrity of Parliament.

(b) that entitlements to any services should be determined in a way that has regard to the particular requirements of any member of Parliament or officer of State with physical or sensory impairments; and

(c) that entitlements to any services should be—

(i) clearly defined so that decisions about whether a person is eligible for an entitlement can easily be made;

(ii) determined in a way that is consistent with the objectives of efficient and effective delivery of services; and

(iii) simple to administer.

[PR 7] Countervailing economic conditions, if any, to be taken into account

7 When setting the remuneration to be prescribed in a determination, Parliament—

(a) must take into account any prevailing economic conditions, based on evidence from an authoritative source; and

(b) may set the remuneration at a rate lower than it would otherwise have set.

[PR 8] Parliament may require information and obtain independent advice

8 Parliament may, at any time in the course of preparing a determination,—

(a) require the Secretary-General, the Speaker, the President, the Prime Minister, Leader of the Opposition or a member of Parliament to provide information that it considers necessary for the purposes of making decisions in relation to the determination;

(b) require any other person to provide information concerning salaries or other conditions of service or employment, or both, for any positions, whether or not those positions are subject to this Act;

(c) obtain advice from persons whose background or experience Parliament considers may assist it in making decisions in relation to the determination; or

(d) obtain advice from the Chief Executive Officer of the Fiji Revenue and Customs Authority.

[PR 9] Parliament may appoint a committee

9 (1) Parliament may, by resolution, appoint a committee which shall provide advice to Parliament on the determination of remuneration.

(2) Any committee appointed under subsection (1) must—

(a) prepare a report as soon as it has completed its considerations and deliberations;

(b) table the report in Parliament; and

(c) be made available for members to access.

(3) The Secretary-General must—

(a) publish the report in the Gazette not later than 14 days after the date on which the report is tabled in Parliament; and

(b) ensure that a copy of the report is made publicly available within 15 days after publication in the Gazette.

[PR 10] Submissions to Parliament

10 (1) Where Parliament is considering making a determination in relation to the remuneration of any person or group of persons, representatives of the members of each category of those persons are entitled to make written or oral submissions to Parliament, at a time and place and in a manner to be determined by Parliament.

(2) Any other person or organisation is entitled to make written submissions to Parliament in relation to the making of the determination.

[PR 11] Commencement, term and expiry of determinations

11 (1) A determination must specify the date on which it expires, however, despite the expiry of a determination, it continues in force until it is superseded by another determination.

(2) Parliament may make a determination before or after the date on which that determination is to come into force.

(3) No determination, or any part of it, may come into force earlier than the date of the expiry of the determination that it replaces in whole or in part.

[PR 12] Amendment of determinations

12 Parliament may amend a determination at any time while it is in force to—

(a) remedy any defect or remove any ambiguity;

(b) deal with any new matter that was not dealt with at the time at which the determination was made;

(c) ensure the adequacy of one or more services; or

(d) amend the specified term of the determination, if Parliament is satisfied that in all the circumstances there are particular and special reasons that justify the amendment.

[PR 13] Separate determinations

13 Parliament may issue separate determinations at different times for different positions.

[PR 14] No deviations from determinations

14 (1) No person may act contrary to a determination or fail to observe any criteria or limits specified in a determination.

(2) Subject to any other enactment, no person may receive remuneration in excess of that specified in respect of the person (or group of persons to which the person belongs) in a determination.

[PR 15] Publication of determinations

15 (1) The Secretary-General must, after a determination is made by Parliament—

(a) give each of the following persons, at the same time, a copy of the determination—

(i) the President;

(ii) the Prime Minister;

(iii) the Speaker;

(iv) the Leader of the Opposition;

(v) the leader of any other parties represented in Parliament; and

(vi) any independent member of Parliament; and

(b) publish the determination in the Gazette not later than 14 days after the date on which a copy of it is given to the persons specified in paragraph (a).

(2) The Secretary-General to Parliament must ensure that a copy of the determination is publicly available within 15 days after publication in the Gazette.

[PR 16] Suspension of salary for suspension from Parliament

16 If a member is suspended from Parliament, the member will not be paid any salary or benefit for the period of suspension.

[The next page is 290,601]

PART 3 — MISCELLANEOUS

[PR 17] Transitional

17 Notwithstanding any other provision contained in this Act and until such time Parliament by resolution, determines any remuneration under this Act, the remuneration of the President, the Prime Minister, other Ministers and Assistant Ministers, the Leader of the Opposition, the Speaker, the Deputy Speaker and members of Parliament shall be as prescribed in the Schedule.

[The next page is 290,801]

[PR Sch]

SCHEDULE

(Section 17)

REMUNERATION

[Sch am GN 997 of 2016, opn 6 Oct 2016; Act 31 of 2016 s 156, opn 1 Dec 2016]

PART A — SALARY

FLAT BASE SALARY INCLUSIVE OF ALL ALLOWANCES	
PRESIDENT	$130,000 (Not taxable)
PRIME MINISTER	$328,750
MINISTER FOR ECONOMY	$235,000
MINISTERS FOR HEALTH, EDUCATION, INFRASTRUCTURE AND TRANSPORT	$200,000
OTHER MINISTERS	$185,000
ASSISTANT MINISTERS	$90,000
SPEAKER	$150,000
LEADER OF THE OPPOSITION	$120,000
MEMBERS OF PARLIAMENT	$50,000 (plus accommodation, travelling and sitting allowances)

[The next page is 291,001]

PART B — ALLOWANCES AND BENEFITS

PRESIDENT

1. Housing — Free furnished residence with all services and staff.
2. Transport — Official car with driver.
3. Telephone — At official residence, completely free fixed telephone (including installation) and official mobile phone.
4. Internet — Internet connection at residence.
5. Superannuation — FNPF Contribution.
6. Leave — 4 weeks per annum, which must be compensated if not utilised.
7. Local Travel — Free accommodation and meals for all local travel.
8. Overseas Travel — First class travel and may be accompanied by spouse.
9. Overseas Travelling Allowance — UNDP subsistence allowance plus 50% together with $300 per day incidental allowance.
10. Medical Benefits — All costs to be reimbursed for local or overseas medical treatment as required.

PRIME MINISTER

1. Housing — Free furnished residence with all services and staff.
2. Transport — Official car with driver.
3. Telephone — At official residence, completely free fixed telephone (including installation) and official mobile phone.
4. Internet — Internet connection at residence.
5. Superannuation — FNPF Contribution.
6. Leave — 4 weeks per annum, which must be compensated if not utilised.
7. Local Travel — Free accommodation and meals for all local travel.
8. Overseas Travel — First class travel and may be accompanied by spouse.
9. Overseas Travelling Allowance — UNDP subsistence allowance plus 250% together with $600 per day incidental allowance.
10. Medical Benefits — All costs to be reimbursed for local or overseas medical treatment as required.

CABINET MINISTERS

1. Transport — Official car with driver.
2. Telephone — Official mobile phone.
3. Internet — Internet connection at residence.
4. Superannuation — FNPF Contribution.
5. Leave — 4 weeks per annum, which must be compensated if not utilised.
6. Local Travel — Free accommodation and meals for all official local travel.
7. Overseas Travel — Business class travel for official meetings.
8. Overseas Travelling Allowance — UNDP subsistence allowance plus 200% together with $500 per day incidental allowance.

ASSISTANT MINISTERS

1. Transport — Official car with driver.
2. Telephone — Official mobile phone.
3. Internet — Internet connection at residence.
4. Superannuation — FNPF Contribution.
5. Leave — 4 weeks per annum, which must be compensated if not utilised.
6. Local Travel — Free accommodation and meals for all official local travel.
7. Overseas Travel — Business class travel for official meetings.
8. Overseas Travelling Allowance — UNDP subsistence allowance plus 100% together with $300 per day incidental allowance.

SPEAKER

1. Transport — Official car with driver.
2. Telephone — Official mobile phone.
3. Internet — Internet connection at residence.
4. Superannuation — FNPF Contribution.
5. Leave — 4 weeks per annum, which must be compensated if not utilised.
6. Local Travel — Free accommodation and meals for all official local travel.
7. Overseas Travel — Business class travel and travel insurance for official meetings.
8. Overseas Travelling Allowance — UNDP subsistence allowance plus 100% together with $300 per day incidental allowance.

LEADER OF THE OPPOSITION

1. Transport — Official car with driver.
2. Telephone — Official mobile phone.
3. Internet — Internet connection at residence.
4. Superannuation — FNPF Contribution.
5. Leave — 4 weeks per annum, which must be compensated if not utilised.
6. Local Travel — Free accommodation and meals for all official local travel.
7. Overseas Travel — Business class travel and travel insurance for official meetings.
8. Overseas Travelling Allowance — UNDP subsistence allowance plus 100% together with $300 per day incidental allowance.

MEMBERS OF PARLIAMENT (including Deputy Speaker, Government/Opposition Whip and Leader of the Government in Parliament and excluding the Prime Minister, Ministers, Speaker and the Leader of Opposition)

1. Accommodation Allowance — For meetings of Parliament or Committee, if the member permanently resides at any place more than 30 kilometres away from the place of the meeting of Parliament or Committee, then the member shall be entitled to an allowance of $350 per day plus $30 per meal.
2. Travelling Allowance — For meetings of Parliament or Committee, if the member permanently resides at any place more than 30 kilometres away from the place of the

meeting of Parliament or Committee, then the member shall be entitled to cost of travel by the most direct route to and from the meeting. Allowances in respect to motor vehicles shall be payable at the following rates—

(a) Vehicles of up to and equal to 2000 cc — 50 cents per kilometre; and
(b) Vehicles of 2001 cc or over — 60 cents per kilometre

3. Committee Sitting Allowance — For Committee sittings on days other than the sitting of Parliament, the member shall be entitled to an allowance of $200 per day.
4. Superannuation — FNPF Contribution.
5. Overseas Travel — Economy class travel and travel insurance for official meetings, as approved by the Speaker. Where the flight hours from the first flight exceeds 6 hours, the member shall be entitled to Business class travel and travel insurance.
6. Overseas Travelling Allowance — UNDP subsistence allowance plus 100% together with $200 per day incidental allowance.

[The next page is 325,001]

Parliamentary Retirement Allowances

CONTENTS

Parliamentary Retirement Allowances Act 1989

TABLE OF PROVISIONS

Parliamentary Retirement Allowances Act 1989

TABLE OF AMENDMENTS

Parliamentary Retirement Allowances Act 1989 (No 30 of 1989)[1] commenced on 22 September 1989, as amended by:

Amending Legislation	Date of Commencement
Parliamentary Retirement Allowances (Amendment) Act 1992 (No 3 of 1992)	21 October 1992
Parliamentary Retirement Allowances (Amendment) (No 2) Act 1992 (No 12 of 1992)	1 June 1992
Parliamentary Retirement Allowances (Amendment) Act 1994 (No 17 of 1994)	16 September 1994
Revised Edition of the Laws (Consequential Amendments) Act 2016 (No 31 of 2016)	1 December 2016
Parliamentary Retirement Allowances (Budget Amendment) Act 2018 (No 26 of 2018)	13 July 2018

[1] This was promulgated as Decree 30 of 1989. In accordance with section 3 of the Interpretation Act 1967, the word "Decree" used with reference to any such "Decree" in the title or provisions of any written law or in any document or legal proceeding may be replaced with the word "Act".

AN ACT TO PROVIDE FOR THE PAYMENT OF ALLOWANCES TO, AND TO THE WIDOWS AND WIDOWERS OF, PERSONS WHO HAVE CEASED TO BE MEMBERS OF PARLIAMENT AND OTHER PERSONS AND FOR PURPOSES CONNECTED WITH THE AFORESAID

[PRA 1] Short title

1 This Act may be cited as the Parliamentary Retirement Allowances Act 1989.

[PRA 2] Interpretation

2 (1) In this Act, unless the context otherwise requires—

Administrator means the Secretary to Cabinet, or a person nominated by the Prime Minister;

member means a person who holds a qualifying office and **past member** means a person who has ceased to be a member;

qualifying date means the date upon which a person qualifies under section 6 for an allowance;

qualifying office means—

(a) member of Parliament;
(b) Prime Minister except if he or she opts for an annual pension or allowance under any other law;
(c) Attorney-General;
(d) Minister;
(e) Assistant Minister;
(f) Speaker of Parliament;
(g) Deputy Speaker of Parliament;
(h) Leader of the Opposition;
(i) Leader of the Government in Parliament;
(j) Opposition Whip; and
(k) Government Whip,

including the following past offices—

(i) member of the House of Representatives;
(ii) member of the Senate;
(iii) Deputy Prime Minister;
(iv) Minister of State;
(v) Speaker of the House of Representatives;
(vi) Deputy Speaker of the House of Representatives;
(vii) President of the Senate;
(viii) Vice-President of the Senate;
(ix) Deputy Leader of the Opposition;
(x) Leader of Government Business; and
(xi) Advisor on the President's Council of Advisors, and includes the following in any government after 10 October 1970 other than in the Council of Ministers of the Fiji military government—

(A) Prime Minister except if he or she opts for an annual pension or allowance under any other law;

(B) Attorney-General;
(C) Minister;
(D) Assistant Minister;
(E) Deputy Prime Minister; and
(F) Minister of State;

[def subst Act 31 of 2016 s 157, opn 1 Dec 2016]

reckonable service means the period or consecutive periods of service in a qualifying office, which for the purpose of reckoning the amount of any allowance payable under this Act shall not exceed 15 years in the aggregate, ending immediately prior to the qualifying date;

retirement means ceases to be in a qualifying office; and

salary means the basic salary payable in respect of an office but does not include any allowances payable in respect of that office.

(2) For the purposes of calculating the reckonable service of a past member, any period in which such past member concurrently held 2 or more qualifying offices shall be regarded as a single period only.

[PRA 3] Allowances to be payable out of Consolidated Fund

3 (1) There shall be charged on and paid out of the Consolidated Fund such sums as may be necessary for the payment of allowances under this Act.

(2) Allowances shall be granted and paid by the Administrator in accordance with the provisions of this Act, to persons who are eligible or treated as eligible by virtue of this Act as past members or as the widows or widowers of past members.

[PRA 4] Administrator

4 (1) The Administrator, in respect of the payment of allowances under this Act, shall be the Secretary to Cabinet or a person nominated by the Prime Minister.

(2) The Prime Minister may, from time to time, give to the Administrator such general and special directions with respect to the functions of the Administrator under this Act and the manner of the exercise thereof as he or she sees fit and the Administrator shall act in accordance with any such direction.

(3) So far as is consistent with the due performance of their respective functions under this Act, the Administrator and any other public officer involved in the payment of allowances shall treat as confidential all information relating to the granting, refusal or ceasing of allowances in particular cases.

[PRA 5] Right of certain past members and widows or widowers of such past members to payments

5 The Administrator shall make fortnightly payments of allowances to persons who—

(a) are eligible or treated as eligible by virtue of this Act as past members or as widows or widowers of past members: and

(b) have at any time after the commencement of this Act, applied to the Administrator for such payments.

[PRA 6] Allowances for past members

6 (1) Subject to subsection (5), a person who after 10 October 1970 (whether before or after the making of this Act) has ceased to be a member shall be entitled to receive an allowance under this section, if the following conditions are fulfilled in respect of him or her, that is to say—

(a) his or her aggregate period of reckonable service is—

(i) for the period from 10 October 1970, not less than 4 years; or

(ii) for the period from 6 October 2014, not less than 3 years and 6 months; and

(b) he or she has attained the age of 55 years,

provided that a person shall be deemed not to have ceased to hold a qualifying office and shall not thereby be entitled to receive an allowance under this section if he or she ceases to hold any qualifying office—

(a) by reason of a dissolution of Parliament but is elected to be a member of the House of Representatives or member of Parliament at the next following general election of members of the House of Representatives or members of Parliament, as applicable;

(b) by reason of ceasing to hold the office of Prime Minister, Minister, Minister of State or Assistant Minister in the period between a dissolution of Parliament under the Constitution of the Sovereign Democratic Republic of Fiji 1990, and the next following general election of members of the House of Representatives thereafter but is elected to be a member of the House of Representatives at that next following general election;

(c) by reason of ceasing to hold any such office as is referred to in paragraph (b) pursuant to section 84(3) or (4) of the Constitution of the Sovereign Democratic Republic of Fiji 1990, but is appointed to be a member of the Senate within 3 months of his or her so ceasing to hold such qualifying office;

(d) by reason of the expiry of his or her term of office as a member of the Senate, but is re-appointed to be a member of the Senate within 3 months thereafter; or

(e) by reason of resigning his or her membership of the Senate but is elected to be a member of the House of Representatives within 3 months thereafter.

[subs (1) am Act 12 of 1992 s 2, opn 1 June 1992; Act 31 of 2016 s 157, opn 1 Dec 2016; Act 26 of 2018 s 2, opn 13 July 2018]

(2) Subject to subsections (4) and (5), the annual amount of the allowance payable to a person under this section shall be a sum equal to one-fifteenth of the aggregate of the following amounts, that is to say—

(a) an amount equal to one-half of the annual salary payable at the time of retirement in respect of each qualifying office held by him or her during his or her period of reckonable service multiplied by the number of complete years of service in such office comprised in his or her aggregate period of reckonable service; and

(b) an amount bearing the same proportion to one-half of the annual salary payable at the time of retirement in respect of each qualifying office held by him or her during his or her period of reckonable service as the number of days (being less than one year) of his or her service in such office comprised in his or her period of reckonable service bears to 365,

provided that in computing the initial allowance payable, calculations are to be based on the salary of a qualifying office as from the 1 July 1989, and thereafter the rate of salary payable at retirement.

[subs (2) am Act 12 of 1992 s 2, opn 1 June 1992]

(3) The annual amount of allowance payable to the holder of a qualifying office as calculated in accordance with subsection (2) is to be adjusted in accordance with adjustments made from time to time with civil servants and other pensioners.

[subs (3) am Act 26 of 2018 s 2, opn 13 July 2018]

(4) Subject to subsection (5), the amount of the allowance which shall be payable to a past member fortnightly shall be one twenty-sixth of the annual amount referred to in subsection (2).

(5) Whereon or after 10 October 1970 (whether before or after the making of this Act) a person has ceased to be a member and the conditions specified in paragraph (a) of and the proviso to subsection (1) are fulfilled in relation to him or her, and he or she has attained the age of 40 years but has not attained the age of 55 years, then if he or she applies to the Administrator for an immediate allowance under this section he or she shall be entitled to receive an allowance under this section as if he or she had attained the age of 55 but the amount of the allowance to which he or she is so entitled, both before and after he or she reaches the age of 55 years shall be an amount calculated in accordance with subsections (2), (3) and (4) reduced by the multiple specified in the Schedule to this Act as being applicable to a person ceasing to be a member at the age.

[subs (5) am Act 12 of 1992 s 2, opn 1 June 1992]

[PRA 7] Qualifying offices ceasing to exist

7 (1) Where a qualifying office ceases to exist, the annual salary payable in respect of that office shall be taken to be the annual salary last payable in respect of the qualifying office which has ceased to exist.

(2) A qualifying office shall not, for the purposes of this Act, be treated as having ceased to exist by reason only that the law under which it existed has been repealed, if another office of the same name or function to which is attached similar duties and responsibilities exists under some other law.

[PRA 8] Duration of allowance under section 6

8 (1) Subject to the following provisions of this section and of this Act, an allowance payable under section 6 shall continue for the life of the past member to whom it is payable.

(2) Subject to the proviso to section 6(1), an allowance payable under section 6 to a past member shall not cease if a past member again becomes the holder of a qualifying office, provided that the allowance will be reviewed when that member retires again and on such occasion the allowance payable would be adjusted to conform with the formula set out in this Act.

[subs (2) am Act 3 of 1992 s 2, opn 21 Oct 1992; Act 12 of 1992 s 3, opn 1 June 1992]

(3) [subs (3) rep Act 3 of 1992 s 2, opn 1 June 1992]

[PRA 9] Widows and widowers

9 (1) Subject to the provisions of this section, a widow or widower of a past member who died or dies after 10 October 1970 (whether before or after the making of this Act) shall be entitled to an allowance if her late husband or, as the case may be, his late wife, at the time of his or, as the case may be, her death—

(a) was entitled to receive an allowance under section 6;

(b) was not so entitled but would have been so entitled if he or she had ceased to be a member at the time of his or her death, otherwise then by his or her death.

(2) The annual amount of a widow's or widower's allowance under this section shall be 60% of the allowance or prospective allowance of her late husband or, as the case may be, his late wife.

(3) Subject to the following provisions of this Act, an allowance payable under this section shall continue for life, whether or not the widow or widower remarries.

[PRA 10] Conditions applicable to widows and widowers

10 A widow or widower of a past member is eligible to receive the payment of an allowance under this Act on the condition that he or she was married to the past member before the member ceased to be a member.

[PRA 11] Allowances not assignable

11 (1) Subject to subsection (2), an allowance under this Act shall not be assignable, transferable or liable to be attached, sequestrated, levied upon or otherwise charged in respect of any debt, liability or claim whatsoever.

(2) Subsection (1) shall not apply in relation to—

(a) debts owed to the State, whether in the nature of imposts or otherwise; and

(b) any order made by a competent court under any law for the time being in force requiring payment to be made towards the maintenance of any spouse, former spouse, child or children or other dependent of a past member.

[PRA 12] Allowances may cease on conviction

12 (1) If any person to whom an allowance has been granted under this Act is convicted by a competent court of any offence involving bribery or corruption, whether or not he or she is sentenced in respect thereof to a term of imprisonment, such allowance shall cease from the date of such conviction.

(2) If any person is convicted as aforesaid before any allowance is granted to him or her under this Act, then the provisions of subsection (1) shall apply in respect of any allowance which may be granted to him or her, provided that if such person after conviction at anytime receives a free pardon, the allowance shall be restored with retrospective effect.

[PRA 13] Allowances to cease on bankruptcy

13 (1) If any person to whom an allowance has been granted under this Act is adjudicated bankrupt or is declared insolvent by judgment of any competent court then such allowance shall forthwith cease.

(2) If any person is adjudicated bankrupt or declared insolvent as aforesaid either—

(a) in circumstances in which he or she is eligible for an allowance under this Act but before the allowance is granted: or

(b) in circumstances in which he or she is not yet eligible for an allowance under this Act, and he or she shall not have obtained his or her discharge from bankruptcy or insolvency at the date of his or her becoming so eligible,

then in the former case any allowance eventually granted to him or her shall cease as from the date of adjudication or declaration as the case may be and, in the latter case, the allowance may be granted but shall cease forthwith and not become payable.

(3) Moneys applied for the discharge of the debts of the person whose allowance has so ceased shall, for the purposes of this section, be regarded as applied for his or her benefit.

(4) When a person whose allowance has so ceased obtains his or her discharge from bankruptcy or insolvency, the allowance shall be restored as from the date of such discharge.

[PRA 14] Allowances not subject to tax

14 An allowance payable under this Act shall be exempt from any tax or levy imposed by any written law.

[PRA 15] Allowances to be additional

15 An allowance payable under this Act to any person shall be in addition to any other superannuation, pension, or other retiring allowance, howsoever called, and any capital sum in respect of retirement or by way of communication of any such superannuation, pension, or other allowance, paid or payable to that person under any written law.

[PRA 16] Allowances payable from commencement

16 No person shall be entitled to the payment of an allowance under this Act in respect of any period before this Act comes into force.

[PRA 17] Appeal against decision of Administrator

17 (1) Any past member or any widow or widower of a past member who is prejudicially affected by any decision or action of the Administrator under this Act may within 30 days after being notified by the Administrator of such decision or becoming subject to such action, appeal therefrom in writing to the Prime Minister who may, in his or her discretion, uphold, vary or revoke such decision.

(2) A decision of the Prime Minister under subsection (l) shall be final and not subject to any appeal.

[PRA 18] Commencement

18 This Act shall come into force on 22 September 1989.

[s 18 am Act 26 of 2018 s 3, opn 13 July 2018]

[The next page is 325,401]

[PRA Sch]

SCHEDULE

(Section 6)

PERCENTAGE OF RETIREMENT BENEFITS

Age at which payment of retirement benefit commences	*Percentage of 50%*
40	50
41	51
42	52
43	54
44	56
45	58
46	61
47	64
48	67
49	70
50	74
51	78
52	83
53	88
54	94

CONSULTANT'S REPORT

PARLIAMENT OF FIJI
EMOLUMENTS SPECIAL COMMITTEE

INDEPENDENT ANALYSIS OF SALARIES AND ALLOWANCES UNDER THE *PARLIAMENTARY REMUNERATION ACT* (2014) AND *PARLIAMENTARY RETIRMENT ALLOWANCES ACT (1989)*

MAY 2023

Table of Contents

I. Background

On July 12, 2023 the Parliament of Fiji adopted the following motion:

> *That pursuant to Standing Order 129 that the Emoluments Committee be established to review the salaries and allowances of Members of Parliament as provided for under the Parliamentary Remunerations Act 2014, and the Emoluments Committee must report back to Parliament at the September Sitting. The Members of the Emoluments Committee as agreed to by both sides of the House shall comprise the following –*
>
> *Hon. Lynda D. Tabuya; Hon. Ro Filipe Q. Tuisawau; Hon. Aseri M. Radrodro; Hon. Alvick A. Maharaj; and Hon. Mosese D. Bulitavu.*[1]

With the adoption of the motion, the Special Committee on Emoluments was established and commenced its work. The original date for return of a report was subsequently moved from September, 2023 to November, 2023 after a decision by the Parliament's Business Committee. It was then extended to April, 2024 by the Business Committee.

This is the second time such a special committee has been established since the return of the Parliament in October, 2014. The previous Emoluments Special Committee reported back to the Parliament on September 26, 2016.[2] That report recommended no increase in salaries for those positions covered by the committee's mandate, but did increase certain allowances. The report was approved by the Parliament on September 29, 2016.

A. Relevant Legislation

i. Parliamentary Remunerations Act

The broad mandate of the Parliament of Fiji and any committee established by the Parliament to review the salaries and allowances is found in the *Parliamentary Remunerations Act* (2014).[3] That legislation was adopted as a decree just prior to the recommencement of the Parliament in October, 2014. The legislation defines the criteria and process by which remuneration will be determined for the following posts:

- Member of Parliament;
- Assistance Minister;
- Minister[4];
- Leader of the Opposition;

[1] Parliament of Fiji – Hansard for July 12, 2023 – pp. 1301-1305 - https://www.parliament.gov.fj/wp-content/uploads/2023/08/Daily-Hansard-Wednesday-12th-July-2023.pdf
[2] Parliament of Fiji – Hansard for September 26, 2016 – pp. 10-11 - https://www.parliament.gov.fj/wp-content/uploads/2017/03/MONDAY-26TH-SEPTEMBER-2016-final2.pdf
[3] *Parliamentary Remunerations Act* (2014) - https://www.parliament.gov.fj/wp-content/uploads/2017/03/Parliamentary-Remunerations-Act.pdf
[4] For purposes of this report and its recommendations, the post of Deputy Prime Minister is not mentioned and those holding such post will be considered a minister.

- Speaker;
- Deputy Speaker;
- Prime Minister; and
- President of the Republic.[5]

The Act also provides for a process by which the remuneration for these posts can be reviewed. The Parliament is mandated, by way of the adoption of a resolution, to determine the salary and allowances to be paid to the persons holding the above-mentioned offices. In addition, section 9 of the Act allows for the Parliament to establish a committee to provide advice to Parliament with regard to such remunerations:

> ***S.9***
> ***(1)*** *Parliament may, by resolution, appoint a committee which shall provide advice to Parliament on the determination of remuneration.*
> ***(2)*** *Any committee appointed under subsection (1) must—*
> *(a)prepare a report as soon as it has completed its considerations and deliberations;*
> *(b)table the report in Parliament; and*
> *(c)be made available for members to access.*
> ***(3)*** *The Secretary-General must—*
> *(a)publish the report in the Gazette not later than 14 days after the date on which the report is tabled in Parliament; and*
> *(b)ensure that a copy of the report is made publicly available within 15 days after publication in the Gazette.*

It is through this section of the Act that the current Emoluments Committee has the mandate to conduct its review. In addition, section 8 of the Act enables the Parliament to seek independent advice before making a remuneration determination:

> ***S.8*** *Parliament may, at any time in the course of preparing a determination,*
> *(a)require the Secretary-General, the Speaker, the President, the Prime Minister, Leader of the Opposition or a member of Parliament to provide information that it considers necessary for the purposes of making decisions in relation to the determination;*
> *(b)require any other person to provide information concerning salaries or other conditions of service or employment, or both, for any positions, whether or not those positions are subject to this Act;*
> *(c)**obtain advice from persons whose background or experience Parliament considers may assist it in making decisions in relation to the determination**; or*
> *(d)obtain advice from the Chief Executive Officer of the Fiji Revenue and Customs Service.*
> **(Emphasis Added)**

Therefore, the current Special Committee on Emoluments has requested the assistance of an independent consultant to conduct an analysis of the current remuneration for all of the offices noted above and to report to the Committee with specific findings and recommendations.

ii. Parliamentary Retirement Allowances Act

[5] *Ibid*; s.3

Fiji has had a legal framework for the provision of retirement allowances for MPs who have completed their elected duties through retirement or otherwise not returning to the role of a MP after an election. The core of that framework is the *Parliamentary Retirement Allowances Act* (1989) (as amended in 1992, 1994, 2016 and 2018).[6]

The legislation defines the criteria and process by which a retirement allowance is provided for the following posts:

- Member of Parliament;
- Prime Minister[7];
- Assistance Minister;
- Minister;
- Attorney-General;
- Leader of the Opposition;
- Speaker;
- Deputy Speaker;
- Government Leader in the Parliament;
- Government Whip(s);
- Opposition Whip(s).[8]

The *Parliamentary Retirement Allowance Act* creates an allowance to be provided to former MPs. The funds for the allowances are taken from the Government of Fiji Consolidated Fund. To be clear, former MPs in Fiji do not receive a "pension" *per se*, as a pension normally is a specific and separate fund to which employers and employees contribute funds from which former employees receive a set income. In comparison, in Fiji, MPs do not provide contributions from their salary to fund the allowance they receive upon ending their work as an MP. MPs in Fiji do contribute, as do all employees in the country, to the Fiji National Provident Fund (FNPF).[9] Therefore, former MPs are entitled to receive both benefits/income from the FNPF as well as the retirement allowance under the Act.

Therefore, the current Special Committee on Emoluments has requested the assistance of an independent consultant to conduct an analysis of the current retirement allowance system for all of the offices noted above and to report to the Committee with specific findings and recommendations to revise, if necessary, the current system.

[6] *Parliamentary Retirement Allowance Act* (1989) - https://www.laws.gov.fj/Acts/DisplayAct/71
[7] Prime Ministers in Fiji have the option of receiving an allowance under this legislation or under the separate scheme under the *Prime Ministers' Pensions Act* (1994) - https://www.laws.gov.fj/Acts/DisplayAct/971
[8] *Supra* Note 3; s.2
[9] FNPF - https://myfnpf.com.fj

B. Specific Mandate of Special Committee

The Special Committee on Emoluments created a Terms of Reference for its work.[10] Specifically, with regard to the mandate of the Committee, the Terms of Reference the following process:

> *The Emoluments Committee will [ ] deliberate and decide on the procedures it wishes to take which would not be limited to the following –*
>
> - *undertakes an 'inquiry' as it would with any other issue;*
> - *call for submissions from the political parties represented in Parliament (the Act specifies that those affected may make submissions (but this is covered anyway under a normal committee inquiry in Standing Orders);*
> - *may consider calling for submissions from other groups/stakeholders/interested persons or parties (the Act specifies that those affected may make submissions (but this is covered anyway under a normal committee inquiry in Standing Orders);*
> - *receive written and oral submission which are referred/submitted to the Committee;*
> - *action any other recommendations/instructions agreed to by the Members of the Committee;*
> - *review and propose amendments to the Act – in the Schedules (salaries and allowances);*
> - *must write a report;*
> - *the Chairperson tables the report and it must be published in the Gazette; and*
> - *agree on the motion that the Chairperson will table in Parliament and subsequently, the Chairperson must move a motion for the Parliament to consider and approve the Committee's recommendations contained in the report.*

The Committee heard oral submissions and received written submissions from each of the four political parties that are represented in the Parliament. These consultations took place from August, 2023. Subsequent to such submissions being received, the Committee made a determination to seek independent analysis with regard to the current and potential future remunerations for the offices noted.

To that end, the Committee contracted the services of the consultant that has authored this report.

[10] The full Terms of Reference for the Committee can be found in Annex 2 to this report.

C. Independent Analysis

As part of the process of conducting an independent analysis of the current salary and allowances for MPs and other office holders, the consultant worked from September – November, 2023 in conducting the requested review.

i. Methodology

The independent review conducted by the consultant was divided into two parts, each with three stages:

Part One: Salary & Benefits

From October to November, 2023, the consultant conducted a review of the current salary and remuneration provided to MPs and other office holders in Fiji. The work included three stages:

Desk Review Stage: During the first stage of the process, the consultant conducted a desk review, which included the collection and review of relevant documents, including the enabling legislation and other aspects of the Fiji legal framework that is relevant to this review. In addition, the consultant was provided with the verbatim written record of the oral testimony before the Committee from August, 2023 and the written submissions from the four political parties. Through desk research, the consultant collected information and determinations with regard to the salaries and allowances for similar office holders in a select number of other jurisdictions. The jurisdictions chosen for the comparative analysis were:

- New South Wales State
- South Australia State
- Victoria State
- New Zealand
- Papua New Guinea
- Trinidad & Tobago

Evidence-Gathering Stage: The consultant conducted a one-week mission to Fiji in October, 2023, to conduct in-person interviews with the political parties and other relevant actors. This included engagement of the Fiji Judiciary, the Office of the Solicitor-General, the Fiji Law Society and the Fiji Public Service Commission. Based on the evidence gathered in-country and from the desk review, the consultant provided preliminary findings to the Committee at a meeting held on October 27, 2023. Based on feedback from the meeting, the consultant moved to the third stage of the review process.

Analysis & Reporting Stage: Once the consultant received feedback from the Committee on the preliminary findings provided, the consultant conducted an analysis of the data and evidence collected and produced a draft of the report with recommendations. The draft report was presented to the Committee at the start of November. Based on the feedback provided by the Committee, the consultant finalised this report.

Part Two: Retirement Allowances
From January to March 2024, the consultant conducted the second review on behalf of the committee. This time the focus was on MP (and other office holder) retirement allowances. For this stage of the work there were also three similar stages to the work:

Desk Review Stage: During the first stage of the process, the consultant conducted a desk review, which included the collection and review of relevant documents, including the enabling legislation and other aspects of the Fiji legal framework that is relevant to this review. In addition, the consultant was provided with the verbatim written record of the oral testimony before the Committee from 2023 and the written submissions from the four political parties. The verbatim written record of the testimony of the Administrator of the retirement allowance before the Committee was also provided for review. Through desk research, the consultant collected information and determinations with regard to the retirement schemes for similar office holders in a select number of other jurisdictions. The jurisdictions chosen for the comparative analysis were:

- South Australia (Australia)
- New Zealand
- Papua New Guinea
- Nova Scotia (Canada)

Evidence-Gathering Stage: The consultant conducted a one-week mission to Fiji in February, 2024, to conduct in-person interviews with the political parties and other relevant actors. This included engagement of the Fiji Public Service Commission and the Cabinet Secretary, who is the Administrator of the retirement allowance.

Analysis & Reporting Stage: The consultant conducted an analysis of the data and evidence collected and produced a draft of the report with recommendations. The draft report was presented to the Committee at the start of March, 2024. Based on the feedback provided by the Committee, the consultant finalised this report.

ii. Limitations

The consultant made every effort to collect data, information and determinations related to the sample of jurisdictions noted above and for other relevant professions in Fiji. However, despite such efforts, there were gaps in the information, especially as related to the relevant salaries and allowances for the sample of other jurisdictions.

In addition, with support from the Parliament's staff, interviews were arranged with other actors as part of the in-country interviews. However, some interlocutors were not available for an interview or did not reply to repeated requests for an interview. For example, there was no submission or interview with the Speaker or Deputy Speaker of Parliament, the Office of the Prime Minister or the State President or his office.

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I. Findings & Analysis

A. Salary & Benefits

This sub-section of the report will focus on the criteria that are to be applied in considering the remuneration to be provided to the office holders defined in the *Parliamentary Remuneration Act* (Act). It will also apply such criteria to develop an evidence-based approach to this review process and to come up with recommendations for salary and allowances – both monetary and non-monetary, which will be defined in the following section.

i. Legislative Criteria

The Act provides specific criteria for the consideration of remuneration. Such criteria are predominantly, if not exclusively, qualitative in nature, making these criteria more subjective in their application. Therefore, this review will also include other, more quantitative criteria in order to benchmark the office holders' salaries and allowances.

a. Salaries

The Act provides for specific criteria to be applied in determining the salary of office holders. Section 5 lists the following criteria to be considered:

- Maintain a fair salary as compared to the private sector;
- Salaries should be competitive to encourage people of a high calibre to seek such offices;
- Consider that public service is about making sacrifices;
- Salaries shall be transparent;
- Must balance the needs of people in such offices with the interests of taxpayers; and
- Consider the
    - requirements of the office; and
    - the nature of entitlements enjoyed by those who conditions of service are similar to the office holders.

b. Allowances

Section 6 of the Act defines the criteria to be applied when setting allowances. Specifically, the Act notes the following criteria:

- Allowances are determined to
    - Recognise the need for the public to understand the services provided by the office holders;
    - Facilitates the delivery of such services;
    - Recognise the need to be fair to taxpayers;
    - Promote transparency in the allocation and use of such allowances; and

    - Maintains confidence and integrity of Parliament;
- Take into consideration the needs of MPs and other office holders with disabilities; and
- Allowances are
    - clearly defined;
    - easy to determine eligibility;
    - simple to administer; and
    - promote the objectives of efficient and effective delivery of services.

c. Economic Conditions

Section 7 of the Act states that any determination must consider the prevailing economic conditions based on an authoritative source and that if the conditions mandate, provide for a lower salary or allowance than would otherwise be determined.

d. Additional Criteria

In addition, for this review, other criteria have been identified that are key to the determination of salary and allowances for the office holders:

- Promoting accountability and transparency in how the salaries and allowances are provided and utilised;
- Consider
    - principles of integrity that are key to avoiding corrupt practices; and
    - the current system of salaries and allowances and any lessons learnt from that system;
- Any evidence that was used to benchmark or determine the salaries and allowances of the office holders during previous determinations; and
- Consider the dignity of the office.

ii. Benchmarking

The Act speaks of comparing the salaries and allowances to "persons or members of any group of persons whose conditions of service or employment are comparable…".[11] To that end, the review has considered two sets of positions that have similar conditions to the office holders noted in the Act – members of parliament from other jurisdictions and other professions or offices in Fiji. Each will be considered as follows.

a. MPs in Other Jurisdictions

Salary
For purposes of this review, six other jurisdictions will be reviewed:

[11] S.5(2)(b) of the Act

- New Zealand
- South Australia State
- New South Wales State
- Victoria State
- Papua New Guinea
- Trinidad & Tobago

All of these jurisdiction have a similar parliamentary system as, with Fiji, they are members of the Commonwealth Parliamentary Association and their systems have evolved from the Westminster model of parliamentary democracy. For the first five noted above, they are jurisdictions in the Pacific region. Papua New Guinea is a developing country. For Trinidad & Tobago, there are remarkable similarities to Fiji, with regard to demographics (i.e. – large and historic south Asian community), culture, population (i.e. – 1.2 million), historic colonial impact, and development status (middle income).

Based on the sample noted, the following table provides the salaries for MPs in each jurisdiction.

Country	Fiji	PNG	NSW	Victoria	SA	NZ	T&T
MP Salary	$50,000	K105,343	$172,576	$198,839	$169,000	$163,961	$168,000

All figures are in the currency of the jurisdiction

In addition, it is useful to compare these salaries to two other benchmarks – the average income of citizens in the jurisdiction and the salary of a teacher. The latter is admittedly arbitrary, yet the job of a public school teacher is relatively similar in all these jurisdictions, making it a good benchmark to measure against MPs salaries.

Country	Fiji	PNG[12]	NSW	Victoria	SA	NZ	T&T
MP Salary	$50,000	K105,343	$172,576	$198,839	$169,000	$163,961	$168,000
Average Income	$22,097		$72,810	$75,000	$72,810	$66,196	
Teacher	$26,000	K37,291	$96,531	$94,079	$86,334	$80,500	$43,784

[12] Not all data was available for this review for Papua New Guinea and Trinidad & Tobago

A similar comparison can be made between other office holders.

	Governor-General/ President	Prime Minister/ Premier	Minister	Assistant Minister	Speaker	Leader of Opposition	MP
Fiji	$130,000[13]	$328,750	$235,000 (Senior) $185,000 (Other)	$90,000	$150,000	$120,000	$50,000
New South Wales (2022)	$513,860	$416,440	$333,072 (senior) $315,814 (other)	$207,091	$315,814	$315,814	$172,576
New Zealand	$384,600 (2023)	$471,049	$296,007	$194,374	$296.007	$296,007	$163,961
South Australia	$463,375 (2023)	$418,000					$169,000 (2022)
Victoria	$425,000	$420,710	$365,971	$244,991	$344,829	$365,971	$198,839
PNG							K105,343 (2015)
Trinidad & Tobago	$594,000	$576,000	$492,000			$348,000	$168,000 (2013)

Again, given the timeline for this review, not all data sets were obtained. However, it is possible to see from Victoria State, New South Wales State, and New Zealand, where full data sets were available the ability to compare to Fiji office holders.

Committee Sitting Fees

Additionally, a scan of how other parliaments address committee sitting fees was conducted, to ascertain what should be the sitting fees for Fijian MPs. Committee sitting fees are extra funding provided to MPs to address two issues. First, MPs who are members of committees do have additional duties to those that are not. Committees of the Parliament of Fiji meet almost weekly and most of those meetings are at times when the Parliament is not sitting. Therefore, the second purpose of a sitting fee is to cover any additional costs associated with attending committee meetings. The two allowances can be divided, with the second one being available for those that travel significant distances to attend a committee meeting.

In some jurisdictions, the committee sitting fee has been removed and replaced with an annual allowance. For example, in South Australia, the remuneration tribunal determined in 2015 that the committee sitting fee should be scrapped and replaced with an additional annual allowance equivalent to $14,269 AUD. In addition, MPs are eligible for an additional annual allowance of $18,760 to cover travel costs to and from the capital if they reside outside of the capital.

New Zealand and Victoria State do not provide a sitting allowance for MPs who attend committees. With regard to travel and accommodation expenses, an MP in those jurisdictions have two options if their primary residence is more than 80 km from the parliament. First, an MP can opt to receive an annual allowance to cover all travel and accommodation costs.

[13] Tax-free Salary

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Alternatively, an MP can choose to submit a claim for each trip made to the capitol and will be reimbursed for the cost of accommodation up to a certain amount and for the reasonable cost of meals.

Sri Lanka provides a sitting fee for MPs who attend committee meetings as members. That fee is equivalent to just over $18 FJD per meeting. In Kenya, MPs also receive a sitting fee that is equivalent to $119 FJD/meeting.

	South Australia	New Zealand[14]	Victoria[15]	Sri Lanka	Kenya
Sitting Fee	$14,269/year	No	No	Rs2,500/meeting ($18.44 FJD)	Sh7,000/meeting ($119 FJD)
Expense Allowance	$18,760/year	$36,400/year or $260/meeting + Reasonable Meal Costs	$26,609/year or $350/meeting + Travel Costs Incurred		

b. Other Fijian Professions

In addition, for this review, the salary and allowances for other offices and posts in Fiji were considered.

Given that these office holders are generally engaged in legal decision-making and the management of the public service and the delivery of public goods and services, the review considered specific categories of posts from the judiciary, the legal profession and the civil service.

MP	Deputy Solicitor-General	Ministry Director	Deputy Permanent Secretary	DPP/Legal Aid Lawyer (15 yrs. experience)	Magistrate	High Court Judge	Chief Justice
$50,000	$85,000-$100,000	$60,000 – $75,000,	$78,000 - $98,000	$85,000-$95,000	$154,000	$220,000	$320,000

[14] An MP in New Zealand can choose to accept an annual allowance to cover costs of travel to and from the capital or can submit for accommodation and travel costs incurred. https://www.remauthority.govt.nz/members-of-parliament/members-of-parliament-remuneration#accommodation-and-travel-services--2

[15] For Victoria State, an MP must choose either the annual sitting allowance or can claim the accommodation rate and travel costs incurred for each meeting. https://content.vic.gov.au/sites/default/files/2023-06/Members-of-Parliament-%28Victoria%29-Guidelines-No.-01-2023.pdf

It is important to note at this stage that there is no other post in Fiji like the ones noted in the Act (MP; Assistant Minister; Leader of the Opposition; Minister; Prime Minister; Speaker of Parliament; and State President). Any comparison to other posts is, at best, limited.

iii. Analysis

Based on the criteria noted in the Act, the additional criteria noted for this review and the benchmarking conducted, the following observations and findings can be made:

General Observations About the Posts: As noted elsewhere in this report, there are no positions in Fiji that are strongly relevant to the work of an elected official. However, if one were to unpack the skills required to be an MP, Assistant Minister, Minister, Leader of the Opposition, Speaker, Prime Minister or President, there are certain skills that can be articulated:

- *Legal Analysis* – Whether or not an MP, etc. is legally trained, there are expectations that there will be the need to analyse legislation and bills, including the identification of potential amendments to both and to extrapolate the impact of such changes to legislation.
- *Policy Analysis* – In addition to legal analysis, MPs will be required to analyse public policy, which may or may not flow from legislative mandates. This would be with regard to oversight of the implementation of such policies and to support citizens in understanding such polices in their application to real-world circumstances.
- *Public Consultations* – The Standing Orders of the Parliament require that Bills, before they are approved, will be sent to a committee for review and that public submissions will be accepted for all bills reviewed by a committee. Consultations can be both formal and informal. For the former, public hearings and field visits are conducted by committees and MPs will need to engage citizens and seek clarifications as to their positions on draft legislation and policies. For the latter, every MP engages citizens on a daily basis and is often hearing public opinion on the issues of the day and must respond to concerns or opinions raised.
- *Media Relations* – MPs, etc. will be in the media spotlight on a routine basis. This is even more intense for ministers, and the Prime Minister. To be successful in the roles noted one has to quickly gain experience in engaging the media, public speaking and media monitoring, if they do not have these skills when they enter politics.
- *Budget Analysis* – Given that the Parliament must adopt the state budget annually, there is a need for MPs to be capable in reading budgets and public accounts and to have a general understanding as to how the state budget operates. For ministers and the PM, the skill level is increased due to the fact that they are implementing budgets for the government.
- *General Management Skills* – Though ministries have permanent secretaries (PSs) to lead day-to-day management of the various ministries within the government, there are issues that arise that require ministers and the PM to engage with their PSs that require general management skills related to human resources, financial management and other

related skills. For MPs and assistant ministers such skills are more likely related to management of caucus services and political party staff.

- *Leadership Skills* – Though perhaps more difficult to define, leadership skills are clearly part of the work of an elected official. Citizens will seek guidance from MPs. Ministers and the PM lead ministries and the whole-of-government respectively, where the public service and the general public will look to these office holders for moral, political and civic guidance.
- *Sources of Funding* – Though not spoken of often in the media, MPs are called on to provide funding to citizens upon request for a long list of requests, including school fees, funeral costs, fundraising events and a plethora of other causes and issues. This is a common role not only in Fiji and regionally, but globally. In addition, in *iTaukei* culture there is a need for MPs to pay for *sevesevu* and the costs associated with these ceremonies when they attend in villages. Within the Indo-Fijian community there are similar expectations related to holidays and events, such as any religious functions, including weddings and Diwali.

Given these unique sets of skills required to be an elected official in Fiji, the following criteria noted above will be analysed.

Comparison to Private Sector: The Act states this is one of the criteria to be considered, yet there are no posts within the private sector that are strongly relevant to the work of those that are elected to Parliament. The closest may be a Barrister & Solicitor. From the information gathered for this report, the range of salary for a private sector lawyer with ten years' experience is above $100,000/year.

Competitive Salary: This criteria begs the question – competitive to what? But it is key that a salary for each of the office holders is at a rate that those with some years of experience in the public or private sector and have attained a certain level of autonomy and skills will be enticed to seek elected office. Such a level of salary should also reflect that those that have attained a level of respect and capacity outside of politics will be giving up their privacy and be subjected to significantly more media scrutiny once they are elected.

Public Service as Sacrifice: No doubt that entering politics should not be seen an opportunity to gain wealth; however, in addition, sacrifice is not just in the salary attained, but also in the encroachment on personal and family life. This criteria also should reflect that elected officials place a pause of their primary careers while they are elected. There are some in Fiji who do maintain their private business interests while elected, but given the time commitments to the posts they hold, even these private businesses will require sacrifices in terms of time and human resources diverted to an elected official's duties. In the end, once an elected official's career comes to an end – in four years, eight years or beyond – if they are not at the age of retirement, there will be a need to re-enter the previous career path (or another path) having not been engaged (or, at least, not fully engaged) in such work for a number of years.

Balance the Needs of Officials with Needs of Taxpayers: For this review there has not been the resources or time to conduct public opinion surveys to determine the "needs of taxpayers", but it may be sufficient to presume that taxpayers would want their elected officials to earn a salary and allowances that enable them to do their job (as defined based on the skills noted above) while not gaining significant wealth from such an office.

Transparency & Accountability: Transparency and accountability have always been important principles in the work of MPs and other elected officials. In the 21st Century, they have become good practice and citizens and civil society demand more from their elected officials.[16] As noted by the World Bank:

> *"…the analysis shows a clear trend of asset declarations becoming a universal instrument to enhance public sector transparency and accountability, promote integrity and prevent corruption."*[17]

Malaysia, for example, moved towards the publishing of asset declarations in 2020.[18] Other jurisdictions, such as New Zealand[19], Australia[20], the United Kingdom[21] and Canada[22] require annual declarations of assets, income and interests.

Fiji should be moving towards these standards of transparency and accountability. However, it should be noted, that in 2014, when the current Act was promulgated through a decree, such measures, which were considered a good practice at that time, were not included in the legal framework.

Lessons Learnt: In the past two years, six MPs have been convicted of fraud in the collection of their allowances as an MP.[23] One of the lessons to come from these convictions and as noted in the criteria for allowances under the Act is that such allowances need to be clearly defined and that their allocation should be as simple as possible to avoid confusion as to whether or not an MP or other office holder is eligible for such allowances.

Economic Conditions: The Act provides for a clause that allows for the salaries and allowances that would otherwise be recommended can be reduced if the prevailing economic conditions are such that an increase in salary or allowances would send a negative signal to the general

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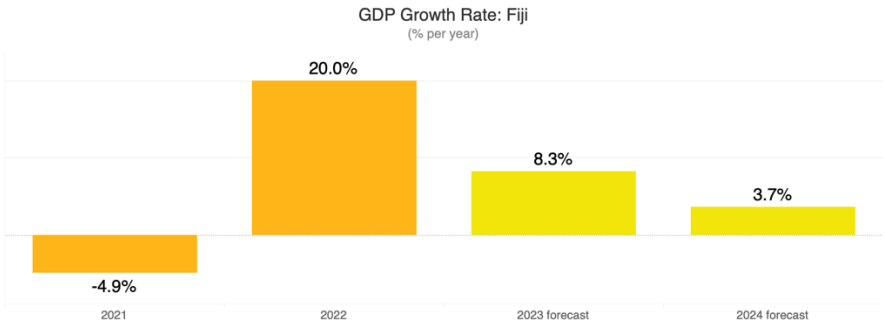
[16] See: Transparency International – Asset Declaration Rules for Politicians (2011) - https://www.transparency.org/files/content/corruptionqas/Asset_Declaration_Rules_for_Politicians.pdf
[17] https://star.worldbank.org/focus-area/asset-declarations
[18] https://www.malaymail.com/news/malaysia/2020/07/22/macc-public-can-access-asset-declaration-details-of-mps-from-today/1887034
[19] https://www.parliament.nz/en/get-involved/features/2022-register-of-members-interests-published/
[20] https://www.aph.gov.au/Senators_and_Members/Members/Register
[21] https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/registers-of-interests/register-of-members-financial-interests/
[22] https://www.ourcommons.ca/Boie/en/reports-and-disclosure
[23] https://pina.com.fj/2022/08/15/former-fiji-opposition-mp-and-tui-namosi-sentenced-to-36-months-imprisonment/ & https://www.rnz.co.nz/news/pacific/475299/former-mp-jailed-for-corruption

public that elected officials are not making sacrifices like other citizens under such circumstances.

The current economic circumstances in Fiji are significantly improving since the catastrophic downturn due to the COVID-19 pandemic. Indeed, it can now be said that Fiji has recovered from the pandemic-induced recession of 2020-21 and with a 20.0% increase in GDP in 2022. In 2023 it is forecasted to grow by another 8.3% and I 2024 another 3.7%, according to the Asian Development Bank.[24]

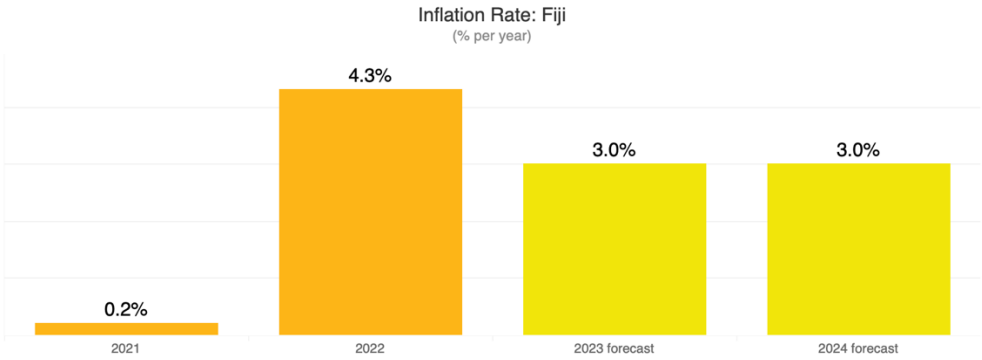
In addition, inflation remains restively mild for the next two years. The inflation rate in 2022 was 4.3% and is expected to remain at 3.0% for 2023 and 2024, again, according to the Asian Development Bank.[25]

Fiji GDP Growth (Actual & Forecasted)



Source: Asian Development Bank. 2023. Asian Development Outlook September 2023

Fiji Inflation Rate (Actual & Forecasted)



Source: Asian Development Bank. 2023. Asian Development Outlook September 2023

Therefore, it is concluded, for purposes of this report, that the economic conditions in Fiji in 2024 do not warrant a limitation on the salaries and allowances of the office holders.

[24] https://www.adb.org/where-we-work/fiji/economy
[25] *Ibid*

Requirements of Office: The specific skills that define elected office holders are noted above. Though there are no posts or offices in Fiji that are strongly relevant to the work of an elected official, given the skills noted, it is possible to juxtapose and benchmark the work of an MP, Assistant Minister, Minister, Prime Minister, Speaker and State President against other offices and posts.

The following table describes equivalent posts in the Fijian Government and Judiciary that relate to each post:

Office Holder	Comparative Post	Justification
Member of Parliament	• Deputy Solicitor-General • DPP Prosecutor (with 15 yrs. Experience) • Legal Aid Lawyer (with 15 yrs. Experience) • Deputy Permanent Secretary	Each of these posts involve a significant level of autonomy in decision-making and each has the requirement for legal and policy analysis, and general management skills.
Assistant Minister	• Deputy Permanent Secretary • Permanent Secretary	Assistant Ministers will be engaging with the highest and second highest civil servants in their respective ministry and should receive a similar salary.
Minister	• Magistrate • High Court Judge	These posts have the capacity to make legally-binding decisions and are fully autonomous in their decision-making.
Leader of the Opposition	• Government Minister • Magistrate • High Court Judge	In most jurisdictions the Leader of the Opposition makes the same salary as a government minister.
Speaker of Parliament	• High Court Judge • Chief Justice	The Speaker is the head of the legislative branch of the government. Though not as large a branch as the judiciary or the executive, the role is important and the salary should reflect the gravitas of the post.
Prime Minister	• Chief Justice of the Supreme Court	Both posts are head of a branch of the government (judiciary and executive) and have the full authority and responsibility to manage and deliver programming.
President	• Chief Justice of the Supreme Court • Prime Minister	The Head of State deserves a salary that reflects that the post is both ceremonial and has legal decision-making authority. Given the tax-free status of the salary for the President, the salary should be lower than for the PM, Speaker of Parliament or Chief Justice.

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B. Retirement Allowances

This sub-section of the report will focus on the criteria that are to be applied in considering the retirement allowance to be provided to former office holders defined in the *Parliamentary Retirement Allowance Act* (Act). It will also apply such criteria to develop an evidence-based approach to this review process and to come up with recommendations for a retirement allowance scheme, which will be defined in the following section.

i. Legislative Conditions for Retirement Allowance

a. Qualification Criteria

The Act provides specific criteria for the provision of the retirement allowance. The following provisions define who is eligible for the retirement allowance once they leave their designated post(s).

In order to receive the retirement allowance, a former office holder mist meet the following criteria:

- Must have held the qualifying office after October 10, 1970;
- Ceases to be an MP or holder of another qualifying office;
- Must serve:
    - For those who held an office between October 10, 1970 and October 6, 2014, at least four years;
    - For those that held an office on or after October 6 2014, at least three years and six months;
- Must attain the age of 55 years; and
- If a person is a former office holder for a qualifying office and is between the 40 and 55 years of age, that person is eligible, upon application to the Administrator, for a reduced retirement allowance that is pro-rated based on their age.[26]

In addition, the spouse of a former member who is eligible for an allowance can receive 60% of that former member's allowance upon the death of the former member.

b. Exclusion Criteria

In addition to the provision in the Act which define the eligibility for the retirement allowance, the Act also provides provisions for when someone is ineligible for the allowance.

[26] For example, former MP who is 40 years of age is eligible for an allowance equivalent to 50% of what they would have received at 55 years of age. A former MP who is 50 years of age is eligible for an allowance that is 74% of the full allowance.

Ineligibility criteria include:

- A spouse is ineligible to receive a portion of the retirement allowance upon the death of the former member, where the spouse was not married to the former member while the former member held office;
- Where a former member is convicted of bribery or corruption any allowance provided shall cease;
- While a former member eligible for a retirement allowance has declared bankruptcy or insolvency that has not be discharged; and
- Former members who have not attained the age of 40 years are ineligible until they reach the age of 40 years.

In addition, given the unique evolution of the democratic state in Fiji, there are former MPs who would have been entitled to a retirement allowance if the term for which they were elected to Parliament was not completed as a result of unconstitutional or extra-judicial actions.

c. Calculation of Retirement Allowance

The Act also provides for a formula as to how a retirement allowance is calculated. Section 6(2) of the Act states:

> *"Subject to subsections (4) and (5), the annual amount of the allowance payable to a person under this section shall be a sum equal to one-fifteenth of the aggregate of the following amounts, that is to say—*
>
> *(a)an amount equal to one-half of the annual salary payable at the time of retirement in respect of each qualifying office held by him or her during his or her period of reckonable service multiplied by the number of complete years of service in such office comprised in his or her aggregate period of reckonable service; and*
>
> *(b)an amount bearing the same proportion to one-half of the annual salary payable at the time of retirement in respect of each qualifying office held by him or her during his or her period of reckonable service as the number of days (being less than one year) of his or her service in such office comprised in his or her period of reckonable service bears to 365,*
>
> *provided that in computing the initial allowance payable, calculations are to be based on the salary of a qualifying office as from the 1 July 1989, and thereafter the rate of salary payable at retirement*."[27]

In brief, the calculation defined in the Act can be translated into an equation:

$$\frac{1}{15}\ x\ (0.05\ x\ Y)\ x\ Z = Annual\ Retirement\ Allowance$$

Where:

- *Y* equals the annual salary of the member in their final full year in a qualifying post; and
- *Z equals the number of years of eligible service*

In addition, where a member finishes working in a designated post, the allowance will also calculate the pro-rated amount based on the number of days in the final year.

[27] *Supra* Note 3; s.6(2)

ii. Issues for Review

Having considered the provisions of the legislation, it is also important to note challenges with the current retirement allowance scheme. Based on submissions to the Committee and interviews conducted for this review, it is possible to identify two types of challenges. First, there are those challenges that arise from different (and often conflicting) interpretations of the Act. Second, there are those issues that have been raised by the Committee in their preliminary discussions which highlight possible changes to the provisions of the Act even though the current provisions are generally understood to have one interpretation.

a. Issues Arising from Interpretation of the Act

Based on the issues arising from the interpretation of the *Parliamentary Retirement Allowances Act*, the following have been identified for possible clarification:

Eligibility – Maximum Years of Service: During testimony before the Committee there were different interpretations of the provisions of Act related to the maximum number of years of service to be calculated for purposes of the eligible allowance. The Act states that the maximum number of years of service is 15 years. Yet, the Act could be interpreted to allow an MP to attain 15 years of service, retire for one or more terms, get re-elected and then restart the clock on another maximum 15 years of service, thus receiving a final allowance after full retirement based on up to 30 years of service.

Double-Dipping: The Act is not completely clear as to whether or not an MP who retires, receives an allowance and then subsequently gets re-elected can collect the allowance while also an MP or holder of another qualifying post.

Severe Disability: The Act has no provision for an MP (or other holder of a qualifying post) who becomes severely disabled before reaching 55 years of age to apply for and receive the full allowance.

Ineligibility for Conviction: The Act is unclear as to whether or not a former MP who is otherwise eligible for a retirement allowance is ineligible only while they serve a sentence for bribery or corruption or if such a conviction will make the former member ineligible permanently. A secondary question is whether or not a conviction for bribery or corruption should be linked to the member's work as an elected official or if any conviction, no matter the relevance to the elected post, is enough to make a former member ineligible for an allowance?

Spousal Eligibility: The Act is clear that only a person who was a spouse to a member while they were elected is eligible for the reduced rate of the allowance after the member's death. However, if the member remarries after retiring and the first spouse pre-deceases the member, should the second (or third) spouse have a right to a portion of the allowance?

Administrator: The Act defines the Administrator as the Secretary to Cabinet, or some other person appointed by the Prime Minister. However, as the allowance is for MPs and other (mostly) elected officials, should the Administrator be a staff person of the Parliament?

b. Issues Arising from Committee Deliberations and Submissions

A second set of issues related to the legislation is related to the issues that arose from submissions to the Committee and those identified by the consultant based on analysis of the current Act and retirement schemes in other jurisdictions.

Qualifying Salary: Under the current Act the salary that is the basis for calculating the retirement allowance is the salary the member was receiving in their final year of elected office. This can result in a member who has had a larger income – say, for being a minister or Leader of the Opposition – and then reverts back to the singular role of an MP. Their allowance is calculated based on the salary as an MP, as this was the salary in the member's last year of service. It is not based on the highest salary received by the member, which has an impact on the final calculation of the retirement allowance.

Retroactivity: Currently the Act has two application dates – the original from 1989 states that the allowance is only eligible to a member who has been an MP since 1970 and has attained four years of service. The Act was amended din 2016 to reflect the new Constitution of 2013, in which MPs elected under that constitution may only serve three years and six months for the completion of one term in office. If the formula or other aspects of the retirement allowance are amended, should the Act apply to those who are already receiving an allowance or only to those that will receive a retirement allowance in the future under a new scheme?

Redrafting: The Act was drafted in 1989. Since that time the format and quality of legal drafting has evolved. Does the Act need to be fully rewritten to reflect these new drafting standards and to make the Act more easily interpreted and understood by beneficiaries?

Allowance as a Source of Income: Currently, the Act is silent as to whether or not the retirement allowance assigned to a former member or person who held a qualifying post is considered "income" for purposes of using such an allowance to secure debt or a loan by the former member. *De facto* the allowance is not considered income and, therefore, is not assignable (except for specific exceptions) and cannot be used as collateral or security for a loan or other debt instrument. IT should also be noted that the allowance is tax free, according to the Act, and, thus, is not considered income for tax purposes.

Eligibility – Posts: If the remuneration scheme for MPs is amended to separate salaries for MPs from additional salaries for ministers, assistant ministers and other leadership posts in the Parliament, should the *Parliamentary Retirement Allowances Act* apply to only MPs and the salary attained as an MP? If so, what additional allowance, if any, should be allocated for those

that assume such leadership posts in government and Parliament in addition to their MP duties?

Eligibility – Time Served: The Act allows for two separate minimum levels of service for those who hold a qualifying post. For those who served from October 1970 to December 2006, the minimum years of service is four years – equivalent to one term. For those elected after October 2014 the minimum time served to be eligible for an allowance is three years and six months – equivalent to one term. Should a former member be eligible for an allowance who may have served for a period shorter than one term? If so, should this new qualification rule apply for any reason that the MP was unable to serve the current minimum time period, including a no-confidence vote that triggers an early election or an unconstitutional or extra-judicial action that resulted in an MP not being able to complete a full term?

Eligibility – Age of Retirement: The Act allows for a full allowance for those former members who attain the age of 55. For those between the ages of 40 and 55 years, a former member is eligible for a reduced allowance pro-rated based on the proximity of their age to 55 years of age. The current rules have raised two issues.

- First, should an MP under the age of 40 be eligible to receive an allowance? Should there be any floor with regard to the age for a former member to receive an allowance?
- Second, should a former member who is under the age of 55 years be eligible for the full allowance or should it remain pro-rated. If pro-rated, should such a reduced allowance remain permanently, or until the former member achieves the age of 55 years, at which point the member would be eligible to receive the full allowance?

Allowance Formula: The current formula (as outlined in sub-section A) is somewhat complicated, by most accounts. Can the formula be simplified? Should the formula be amended to reflect a more reasonable allowance for former members?

Independent Review Process: The current Act does not have a provision for the routine review of the key components of the Act, such as the formula used to calculate an allowance and various eligibility criteria. Is there a need for a review of the Act's provisions ate least once every five or ten years? If so, should that review be conducted independently of the Parliament and members and others who hold a qualifying post, to ensure those benefiting from the review of the retirement scheme are not directly involved in making decisions related to such allowances?

iii. Benchmarking

For purposes of comparison, the consultant conducted a desk review of the current retirement benefits in select other jurisdictions. As will be noted below, there is limited value in such comparisons. A search of pension and retirement allowances in Fiji also was of limited value, given the unique nature of the allowance for former MPs in Fiji.

a. Retirement Benefits in Other Jurisdictions

For purposes of this review, five other jurisdictions will be reviewed:

- New Zealand
- Australia
- Papua New Guinea
- Nova Scotia (Canada)

All of these jurisdiction have a similar parliamentary system as, with Fiji, they are members of the Commonwealth Parliamentary Association and their systems have evolved from the Westminster model of parliamentary democracy. For the first three jurisdictions noted above, they are jurisdictions in the Pacific region. Papua New Guinea is a developing country. Nova Scotia (Canada) was chosen, as will be seen below, as its system has some best practices and similarities to the Fijian system.

Australia
MPs and Senators in the Australian Federal Parliament have a defined contribution pension scheme under the *Parliamentary Superannuation Act* (2004).[28] Like every other public servant in the Commonwealth civil service, the employer (Parliament) and the member each contribute to a superannuation fund of the choosing of the member.

A former member cannot access a lump-sum of superannuation benefits until they reach the age 60 years. The employer contribution is at 15.4% per annum. A member can salary sacrifice up to 50% of their salary towards the superannuation fund. Determinations as to the adjustments to the scheme are made by an independent remuneration tribunal. The scheme does have provisions for a former member who becomes incapacitated and unable to work prior to attaining the age for receiving the benefit.

New Zealand
New Zealand MPs also receive a defined contribution pension in which MPs and Parliament contribute to a superannuation fund that the MP receives upon retirement. The contributions from the Parliament and the MP are at a ratio of 2.5:1, with the Parliament contributing the equivalent to 20% of the salary of the MP into the fund on an annual basis.[29] Determinations as to the adjustments to the scheme are made by an independent remuneration tribunal.

Papua New Guinea
MPs in Papua New Guinea receive retirement benefits through the *Parliamentary Members' Retirement Benefits Act* (1997)[30] which establishes a dedicated pension to which they contribute 15% of their annual income. This fund works as a defined benefit pension, meaning

[28] https://www.legislation.gov.au/C2004A01315/latest/text
[29] https://www.legislation.govt.nz/regulation/public/2003/0306/latest/whole.html#DLM222338
[30] http://www.paclii.org/pg/legis/consol_act/pmrba1997418/

former MPs who have served at least one term receive an income for the rest of their lives from the pension fund. The formula for the calculation of the pension income is 10% multiplied by the number of years of service as an MP. So an MP with one term of service will receive a pension for life that is at 40% of their final MP salary.

Nova Scotia (Canada)
Nova Scotia is a province in Canada with a population of 1.1 million people and has a unicameral provincial parliament with 55 members. The pension for the provincial MPs is defined in the *Pension Benefits Act*.[31] That legislation provides for a defined benefit pension in which a provincial MP contributes 5% of their salary per year into a dedicated pension fund. The Parliament matches that amount as a concurrent annual contribution. Any former MP who has attained two years of service is eligible to receive an income for life upon retirement. The formula for calculating the retirement is 5% of the average annual income based on the three best (or highest) salary years multiplied by the years of service to a maximum of 15 years. Under this formula, an MP who has served one term (i.e. – four years) would receive an income for life at 55 years of age of 20% of their best annual salary. The maximum income is 75% of their best salary.

b. *Other Fijian Professions*

The primary retirement scheme is Fiji is the Fiji National Provident Fund, which operates as a defined contribution super annulation fund. All public servants pay into and receive pension benefits through the FNPF, including MPs. The differences between the schemes do not lend themselves to a strong comparison between the systems.

The only two exceptions are those holding posts defined under the *Parliamentary Retirement Allowances Act* and members of the judiciary, who have a retirement scheme defined in the *Judges' Remuneration and Emoluments Act*.[32] Under that legislation each judge who has reached the age of 60 years and has served on the bench for at least ten years is eligible to a pension income equivalent to 50% of their judicial annual salary for the rest of their lives. A judge who has not reached the eligibility criteria due to disability or infirmity is entitled to at least 40% of their salary for the rest of their life.

iv. Analysis

a. *General Observations*
Based on the criteria noted in the Act, the additional criteria noted for this review and the benchmarking conducted, it is possible to conduct an analysis of the current retirement allowance scheme for Fijian MPs (and other qualifying posts).

[31] https://nslegislature.ca/sites/default/files/legc/statutes/pension%20benefits.pdf
[32] https://www.laws.gov.fj/Acts/DisplayAct/961

To start, despite the information noted above in this report and the information related to other retirement schemes for elected officials, it is difficult to identify an alternative system that is similar enough to the Fijian system to allow for anything other than a cursory comparison. This is because former Fijian MPs do not pay into a pension fund and do not, *per se*, receive a pension at retirement. Former MPs, instead, receive a tax-free retirement allowance that is drawn from the Government of Fiji's consolidated fund. This system precludes a pension board that manages a fund that directs investments. This retirement scheme is not reliant on investment income or contributions from MPs or the employer (i.e. – Parliament). Therefore, there is no risk to be managed with regard to the success (or not) of a pension fund in meeting its goals for having sufficient funds to cover the costs of the retirement of former MPs.

The current retirement scheme for elected officials in Fiji is lucrative and by regional and global standards is one of the most beneficial to recipients. In the region, the standard for retirement schemes are defined-contribution pension schemes, where employees and employers contribute to a retirement fund with thousands (or, in some cases, millions) of contributors for which investment for the overall fund is managed by a board that has a fiduciary duty to the fund's contributors. At retirement, the portion of the fund assigned to a retiree is turned into an annuity for which the retiree is now assuming the risk of investment and that will provide an annual income to the retiree, which may fluctuate based on investment returns. This is the premise for the FNPF and the scheme under which almost all Fijians contribute to their retirement income.

In some other jurisdictions with similar legal and governance structures, such as Canada, the defined-benefit pension scheme is still the norm in the public sector. Almost all public sector employees in Canada – at the municipal, provincial and federal levels – pay into a pension fund. These contributions are matched by the employer. When an employee retires after a set number of years (normally at least 25 or 30 years of service), the retiree is given a set annual income for life based on a percentage of the average salary of the retiree that is calculated from the best three years of salary for that employee. The more years of service, the higher the percentage of the average annual income that is provided as an annual retirement income. The maximum percentage for such calculations is 70 – 75% of the average annual income.

In these alternate pension schemes – defined-benefit and defined-contribution – the beneficiary of a retirement income pays into a pension fund that is managed by an appointed board that has access to expertise as it manages the fund and its investments. This is a significant change from the current system being utilised for elected officials in Fiji. For purposes of this report, since there has been no request consider alternates schemes, it is assumed that the current retirement allowance system utilised for former MPs in Fiji will remain in place based on any revised legal framework.

b. Specific Elements of a Revised Retirement System

Despite the lack of si9milar retirement schemes in Fiji and elsewhere to allow for a strong comparison to the current MP retirement allowance, there are some elements of other

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retirement systems that can inform the analysis of the current MP retirement system in Fiji as reforms are considered. The following is a consideration of these key elements.

Eligibility: There are number of variables in determining if a former MP is eligible for a retirement allowance. Based on the consideration of the current system in Fiji for MPs and the systems used in similar jurisdictions, the following can be noted:

- *Number of Years of Service*: This includes both a minimum number of years to be eligible and the maximum number of years to be used for calculating the allowance.
    - Minimum Time of Service – Currently there are two separate minimums under the Act – for those that served between 1970 and 2006, it is a minimum of four years. For those that have served since 2014, it is 3 years and six months. Both of these timeframes are linked to the length of one term of the Parliament. Some other jurisdictions reviewed for this report have moved away from the one-term minimum to be eligible for a pension. In Nova Scotia, eligibility starts after two years of service. For those jurisdictions with defined-contribution or superannuation system, every MP is eligible from their first time they are sworn in to office. Moving to a system where all MPs are eligible for an allowance, no matter the length of service, will not create a large burden with regard to additional allowances, as there are only a small number of former MPs that fall under this current exception.[33] In addition, allowing all MPs to receive an allowance, no matter the length of service, reflects the fact that all MPs have contributed to the governance of Fiji and have made sacrifices in doing so. Finally, for the small number of MPs who have not been previously eligible for an allowance as a result of the early closure of the Parliament, this approach would allow them to now receive an allowance.
    - Maximum Time of Service – Based on comparisons to other retirement schemes, a maximum number of years for calculation of the allowance is a standard practice. To do otherwise, and depending on the formula for calculating an annual income or allowance upon retirement, an MP who served 25 or 30 years could end up with an income higher than the income they receive as an MP, which can create perverse incentives with regard to the service as an MP that the system is trying to protect. Given that three full terms of service in the current Parliament would be equal to 12 years, it is recommended that the maximum years of service for calculating a retirement allowance be adjusted to 12 years.
- *Age of Retirement Allowance Eligibility:* Currently the Act states that an MP who has reached the age of 55 is eligible for a full allowance based on the formula provided in the Act. For those MPs between 40 and 55 years of age, the allowance is available at a pro-rated amount, with the lowest amount being for those former MPs who have reached the age of 40, who are eligible for an allowance calculated at 50% of what they would be entitled to at 55 years of age. However, there are MPs who retire or who are

[33] For example, under the proposed formula for calculating an allowance (described below) an MP who has sat for only one year would be eligible for an annual allowance of just under $8,000/year (FJD).

not re-elected prior to the age of 40. Given that the allowance is not linked to a pension fund, but comes directly from the Government's Consolidated Funds, there are no actuarial reasons no to expand the eligibility to those under the age of 40, with the understanding that amount allocated will be pro-rated at 3.33% less per year below 40 years of age.[34] In addition, when a former MP attains the age of 55 years, if the former MP has taken an early allowance, the allowance shall revert to the full amount owning when they reach 55 years of age.

- *Types of Posts:* Based on discussions previously, it is assumed in this report that the salary for all MPs will be divided from their salaries as ministers, assistance ministers and Prime Minister. This will result in each MP receiving the same MP salary and those MPs that assume leadership roles, as noted, will receive a second salary from the executive to cover their additional responsibilities. If this approach is adopted, then it is possible to limit those that receive the retirement allowance to just MPs. The two exceptions would be the Leader of the Opposition, who's extra salary for that post is paid by the Parliament, and the Speaker, who is also paid by the Parliament and who is not an MP. Any pension or retirement allowance for ministers, assistance ministers and the PM would be defined by other retirement legal frameworks related to the executive branch.
- *Severe Disability:* Most of the retirement schemes considered for this report include a provision for those former MPs under the age of 55 years who suffer from a severe physical, mental or intellectual disability which precludes them from earning an income. In those circumstances, it seems prudent to have a provision in the Fijian framework to enable to provision of a full retirement allowance prior to 55 years of age for those former MPs who can demonstrate that they are unable to earn any income due to such a disability.

Cessation of Allowance: The current Act notes two means by which an allowance can be suspended temporarily or *permanently* discontinued. In both cases some consideration for reform should be mooted.

- *Conviction for Bribery/Corruption:* The Act should be amended to create two-tiers of eligibility based on a conviction for bribery or corruption. Where the conviction is for an act that is not linked to the time a former MP was in office, the allowance should be suspended for the duration of the sentence (custodial and/or non-custodial). Where the conviction is for an act of bribery or corruption while the former MP was in office, the former MP should be permanently ineligible for the allowance once convicted (whether or not the allowance payments have commenced).
- *Bankruptcy:* The current scheme is reasonable with regard to those former MPs who declare bankruptcy or insolvency, where the allowance is suspended between the time of declaration of bankruptcy and the discharge of the same bankruptcy. However, it may be necessary to re-enforce these terms in any new legislation to avoid any ambiguity in their interpretation.

[34] For example, the amount of allowance for a former MP who is 37 years of age would be 40% of the full allowance owing. For a former MP that 34 years of age, the amount would be 30%.

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Qualifying Salary: The Act calculates the salary to be used in determining the retirement allowance based on the final year of salary for an MP. Yet this can, in some circumstances, not reflect the additional, salary an MP may have attained in previous years of service and can result in the allowance not being reflective of the same. For example, an MP may have 15 years of service, of which the first ten years the MP was the Leader of the Opposition and the last five years a backbench MP. Under the current framework, the MP retires with an allowance based on the final year of salary, which is the base salary for an MP, despite ten years of additional service.

Using the methodology described above from Nova Scotia, the annual income of a former MP for calculating the retirement allowance should be based on the average of the three best years of salary for any retiring MP. Applying this approach to the example above, the former MP would have their allowance calculated based of the three best years of salary, which would presumably be three of the ten years the person was the Leader of the Opposition. This would result in an allowance that reflects the MPs entire service record.

Double Dipping: The Act does not preclude an MP from receiving the retirement allowance from a previous period of service, where an MP is re-elected subsequently and concurrently receives an MPs salary. This is known as "double dipping" where someone is able to collect a retirement benefit while also earning a salary from the same institution through which the retirement benefit was earned. This is generally considered bad practice and the Act should be amended to reflect a system that prevents such actions.

Administrator: The Administrator for the retirement allowance should be a senior staff person from within the Parliament, given that the retirement scheme is focused on allowances for former MPs. But there needs to be clear rules or guardrails in the legislation to avoid undue influence or pressure being placed on such a person to render decisions to the benefit of former MPs.

Independent Review Process: If the *Parliamentary Remuneration Act* is amended to enable an independent process for the review of MP salaries and benefits, the same body should also be responsible for periodic and routine reviews of the provisions of the retirement allowance system. In both cases, it is a best practice to expunge MPs and political leaders from making decisions related to their ow salary and benefits, including retirement benefits. An independent review body would address the need to remove beneficiaries from deciding on their emoluments.

Allowance Formula: The formula for calculating the retirement allowance for former MPs is defined in the Act:

$$\frac{1}{15}\ x\ (0.05\ x\ Y)\ x\ Z = Annual\ Retirement\ Allowance$$

The formula has three elements:

- *15-year Timeframe* – the formula is based on "maxing out' the allowance after 15 years and reduces the allowance down for those with fewer years of service;
- *Annual Salary* – This issue is discussed above. The current formula relies on the final year of salary for calculation purposes; and
- *Allowance Factor* – The current formula has a variable that requires the annual salary to be reduced by one-half prior to calculating the retirement allowance.

Earlier in this sub-section, the 12-year timeframe and the annual salary calculation have been discussed and conclusions provided. The remaining issue is the allowance factor. There has been no rationale provided for the use of this (or any) variable in calculating the allowance. Looking at best practices, in Canada where defined-benefit pension schemes are the norm, the annual income is calculated based on two variables – years of service and annual average income. The more years served, the higher the retirement allowance.

A similar approach should be used in Fiji. If the allowance factor of 0.5 was removed from the formula, one would be left with the following formula:

$$\frac{1}{12}\ x\ (Yx\ Z) = Annual\ Retirement\ Allowance$$

This proposed formula recognises that the more years served will result in a higher allowance, yet also ensures those with near-to-minimum service will receive a reasonable allowance.

Applying the new formula, the following scenarios provide examples of what a person could anticipate based on their years of service as an MP[35]:

• MP serves from 2022-2026
  ○ Three best years - $95,000 x 3 (2024 – 2026)/3 = $95,000
  ○ 4 years as an MP
  ○ 4 x $95,000 x 0.0833 = **$31,654 (**33% of MP salary)

• MP serves from 2018-2026
  ○ Three best years - $95,000 x 3 (2024 – 2026)/3 = $95,000
  ○ 8 years as an MP
• 8 x $95,000 x 0.0833 = **$63,308 (**67% of MP salary)

• MP serves from 2014-2026
  ○ Three best years - $95,000 x 3 (2024 – 2026)/3 = $95,000
  ○ 12 years as an MP
• 12 x $95,000 x 0.0833 = **$94,962** (100% of MP salary)

Under this revised formula, an MP with four years of service would receive approximately 25% of their MP salary as an allowance. That amount scales up to 100% of an MPs salary of they serve the maximum of 12 years.

[35] For purposes of this calculation, it is assumed the salary of an MP will be $95,000/year, as per early deliberations by the Committee. However, this has not be fully endorsed or approved by Parliament.

A few of caveats with regard to the revised formula:

- At no point should a former MP make more from a retirement allowance than the salary they would receive as an MP. This creates a perverse incentive against serving once an MP reaches 12 years of service.
- It is assumed that the allowance will be indexed and that the amount allocated will increase as the cost-of-living increases.

Application of New Rules: The proposed changes to the retirement allowance scheme should be applicable to those MPs that are sitting at the time the new (or amended) Act is proclaimed or who are subsequently elected to Parliament. This would mean that any former MP at the time of proclamation would be eligible only under the rules as defined in the current Act.

It is proposed that there be one exception to this general rule. The provision that defines the minimum time served to be eligible for an allowance would be applicable to any former MP who has served since October, 1970. The proposed change would allow a former to apply for an allowance where they serve one term in Parliament. Normally one term is approximately four years, but where a term is ended early due to a no-confidence vote to or an unconstitutional or extra-judicial cessation of the term, a former MP (or a spouse of a former MP who is eligible) who was elected since 1970 should be eligible for a retirement allowance.

II. Recommendations

A. Salary & Remuneration

Based on the above analysis and the evidence and data collected, the following recommendations are made with regard to the salaries and allowances for MPs and other office holders as defined in the *Parliamentary Remuneration Act* (2014):

i. Legislative Amendments

The *Parliamentary Remuneration Act* (2014) should be amended to reflect a more independent review process and a more transparent and accountable approach to the allocation of salaries and allowances.

1. **Amend the Act to require an Independent Review of Office Holders' Salaries and Allowances**
   The Act should be amended to ensure elected officials have no influence over the determination of their salaries and allowances. This can be achieved in two alternative ways:

   a. Amend the *Higher Salaries Commission Act*[36] to empower that commission to review office holder remuneration; or
   b. Appoint an *ad hoc* commission to review and determine salaries and allowances.

   The key to such a process is that the independent body has the authority to determine the remuneration without the Parliament needing to be engaged or to vote on the recommendations (as compared to the current process).

2. **Amend the Act to require the annual publication of salaries, allowances and expenses allocated to each office holder**
   As is done in other Commonwealth jurisdictions of note, this allows for citizens to see how much each elected official is earning in salary, allowances and expenses each year. It would also create more transparency as to the expenses collected by each office holder.

3. **Amend the Act to require an annual declaration to be filed by each elected official as to their pecuniary interests, income and assets, as well as those of their immediate families and any corporate interests.**
   As is common in noted Commonwealth countries and to ensure greater transparency and accountability, the Act should require MPs and other office holders to file a declaration annually for themselves and immediate family as to their pecuniary interests, assets and income.

[36] https://www.parliament.gov.fj/wp-content/uploads/2023/09/Act-24-No-Higher-Salaries-Commission.pdf

4. **In 2024, establish by way of motion by the Parliament, a special committee to explore a code of conduct for all MPs**
   If MPs are to receive a significant pay raise and to be benchmarked against other professions, such as judges, senior civil servants and lawyers, then they should also be held to the same level of ethical behaviour. Those other professions and offices require adherence to codes of professional conduct. The Parliament should establish a special committee in the first quarter of 2024 to conduct public consultations and report back with recommendations for a Code of Conduct for MPs and a suitable enforcement mechanism.

ii. Salaries

5. **All MPs, no matter their additional responsibilities, should receive a base salary**
   As in many jurisdictions within the Commonwealth, all MPs should receive a base salary. If an MP assumes additional roles within the Parliament or the Executive, then those additional responsibilities can be rewarded with additional allowances. This approach allows all MPs to receive the same base salary. It also benefits them with regard to pensions. MPs may start out as a backbench MP, but then may assume additional roles, such as a whip, or committee chairperson or a minister. In time, as governments change, their role may change and so will their salary. But by having a base salary they will pay into the MP pension scheme for the full time they are elected and will accumulate their pension based on their full years of service. If they assume additional, executive roles (assistant minister; minister, PM) they can pay into an additional pension scheme for those years of service.

6. **The Base Salary for a Member of Parliament in the Parliament of Fiji should be $95,000 per year**
   The current salary for an MP in Fiji is not sufficient to reflect the demands of the post and the level of experience and the skills required to be an MP. MP salaries in other jurisdictions are significantly higher than those in Fiji. In addition, the work of an MP includes demands for the covering of expenses by constituents, especially expectations related to bringing gifts or covering costs of events when visiting communities. Such costs have not previously been recognised as factors in calculating the salary of an MP.

   A salary of $95,000 per year can be benchmarked to key posts in the Fiji public service, including the fact that an MP salary would be:
   - Lower than the salary of a Magistrate[37]
   - Similar to the salary of a Deputy Solicitor-General in the Office of the Solicitor-General

[37] As can be seen in the comparative table above, in South Australia, NSW and New Zealand, an MP make significantly less salary of a magistrate in these other jurisdictions

- Equivalent to the high-end of the salary for a Deputy Permanent Secretary in the public service
- Equivalent to the high-end of the salary for a state prosecutor or legal aid lawyer with 15 years' experience

As noted in further detail elsewhere in this report, the work of MP can be positively compared to the posts noted and results in a conclusion that an MP in Fiji should be compensated similarly. This has resulted in the figure of $95,000 per year.

7. **Additional Parliamentary Roles should be remunerated**
   The current Act does not reflect that there are posts that are integral to the functioning of the Parliament but are not allocated additional remuneration. These posts, including a whip, deputy whip, Deputy Speaker and Leader of the Government, should also be allocated an additional allowance for their additional responsibilities. This would align Fiji with other jurisdictions reviewed for this report.

Additional Title	Annual Allowance
Deputy Whip	$ 3,000
Party Whip	$ 5,000
Leader of the Government	$ 7,000
Deputy Speaker	$15,000

8. **Assistant Ministers should receive an additional salary of $25,000 on top of the base salary for an MP**
   The salary of an assistant minister should be benchmarked between the salary for a Deputy Permanent Secretary and a Permanent Secretary in the public service.

9. **Ministers should receive an additional salary of $ 105,000 on top of the base salary for an MP**
   The salary of a Minister should be benchmarked between the salary of a Magistrate and a High Court Judge and reflects the fact that a minister has significant responsibility and decision-making authority.

10. **The Leader of the Opposition should make the same salary as a Government Minister**
    As with other jurisdictions reviewed for this report, the Leader of the Opposition should receive a salary equivalent to a Government Minister. This is consistent with the expectation that a Leader of Opposition has similar responsibilities to a minister.

11. **The Speaker of the Parliament should receive a salary that is equivalent to that of a High Court Judge**
    As the head of the legislative branch the Speaker should have a salary that reflects the gravitas of the position and it should be benchmarked with that of a High Court Judge.

12. The Prime Minister should receive a salary equivalent to that of the Chief Justice of the Supreme Court

As the head of the executive (one branch of government), the salary of the PM should be benchmarked to that of the Chief Justice – the head of the judiciary.

13. The President of Fiji should receive a tax-free salary of $185,000

Currently the salary of the President of Fiji is provided tax-free. This approach should be maintained, but at a slightly higher salary level.

iii. Allowances

14. Continue to provide per meeting allowances for committee members and provide one additional allowance for members who primarily reside beyond a 30km radius from the Parliament.

Currently there are two sitting fees – one for all MPs who are members of a committee that is paid for each committee meeting they attend ($200/meeting). In addition, if an MP resides more than a 30 km radius from the Parliament, they are currently entitled to $440/meeting for travel and accommodation. This results in an MP who primarily resides outside of Suva (more than 30km radius from Parliament) eligible to receive up to $640/meeting. Both allowances should be maintained without any changes.

15. Overseas Per Diems should be Reduced

The current system, even with the reduction already imposed by the current government, is excessive and incentivises overseas travel. Per diems should still be benchmarked to the United Nations (UN) Daily Subsistence Allowance (DSA), but with lower additional allowances as follows:

- MP & Assistant Ministers – UN DSA x 1.25
- Ministers & Leader of the Opposition – UN DSA x 1.50
- Prime Minister – UN DSA x 2.00
- President – UN DSA x 1.50 + $300
- Speaker – UN DSA x 2.00 + $300

16. The duty-free purchase of a vehicle for all MPs should be re-instated

This benefit was in place prior to 2007 and should be reinstated, given the amount of travel incurred by all MPs in their role as an elected official. Each MP should be eligible for one vehicle per term.

17. There should be no change to the mileage rates currently provided for travel for official business by MPs

The current rate is as follows:

- $0.60/km for vehicles of 2,000 cc engine size or greater
- $0.50/km for vehicles with an engine size lower than 2,000 cc

18. **The current practice of the provision of a government vehicle and driver for official government business shall be maintained**
    Currently the President, Prime Minister, Speaker, Ministers and Assistant Minister have access to a government vehicle and driver. This benefit should not be changed.

19. **A Government Residence should be extended to the Speaker of Parliament and the Leader of the Opposition**
    Prior to 2007 there was an official residence for the Speaker of the Parliament and this benefit should be reinstated. Many jurisdictions in the Commonwealth provide an official residence for a leader of the opposition and this benefit should be extended to the Leader of the Opposition in Fiji.[38]

20. **All MPs should be eligible for life and medical insurance**
    Though this is a benefit not offered to the public service, it should be extended to all MPs given the duties required for the post(s) and the higher risk related to extended travel. Life insurance should provide coverage that is up to a maximum of $100,000. If an MP wishes to continue to make premium payments on the life insurance policy after leaving office, that option should be available.

21. **Parliament should establish a system for maternity and paternity leave**
    In order to entice more women and younger Fijians to seek elected office, maternity and paternity leave should be instituted in line with the national system for such benefits.

22. **The constituency allowance for each MP should be incorporated into the Act and increased to $15,000/year**
    The current practice of approving such an allowance by way of a motion in Parliament should end. The allowance should not be adjusted, but should be included as part of the allowances for MPs under the Schedule to the Act. In addition, the allowance should be increased to $15,000/year, reflecting increased costs.

23. **Ministers and Assistant Ministers shall have access to government quarters in Suva as a form of accommodation at the same rate as all public servants**
    According to the Ministry of Finance Officers Accommodation Unit, officers stationed temporarily in Suva can access government quarters at 10% of the market rate. The same benefit should be available to Ministers and Assistant Ministers who wish to utilise this form of temporary accommodation in Suva. A Minister or Assistant Minister must make a specific request to the Officer Accommodation Unit to access this benefit.

24. **All other allowances, both monetary and non-monetary, should remain the same as currently defined in the Act and the Schedule to the Act.**

Table of Recommended Salaries and Remuneration

[38] See for example the Canadian residence for the Official Opposition Leader - https://ncc-ccn.gc.ca/places/stornoway

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	Current Remuneration	Option 1	Notes
MP	$50,000	$95,000	
Deputy Whip	0	$3,000/year	In addition to base MP salary
Whip	0	$ 5,000/year	In addition to base MP salary
Leader of the Government	0	$ 7,000/year	In addition to base MP salary
Assistant Minister	$90,000	$120,000 (MP Base + $25,000)	
Minister	$185,000-$225,000	$200,000 (MP Base + $105,000)	One salary level for all Ministers at mid-range of previous scale
Leader of the Opposition	$120,000	$200,000 (MP base + $105,000)	Equivalent to Minister
Prime Minister	$328,750	$320,000 (MP base + $225,000)	2.5% Reduction
Speaker	$150,000	$220,000	Equivalent to High Court Judge
Deputy Speaker	0	$110,000 (MP base + $15,000)	
President	$130,000[39]	$185,000	Maintain tax-free status
Mileage[40]	0.60/km (> 2,000 cc) 0.50 (<2,000 cc)	0.60/km (> 2,000 cc) 0.50 (<2,000 cc)	No Change
Other Travel Expenses[41]	Compensation for cost of fare	Compensation for cost of fare	
Committee Sitting Fee[42]	$200/meeting	$200/meeting	No Change
Committee Per Diem[43]	$440/meeting ($350 – accommodation) ($30/meal x 3/meeting)	$440/meeting ($350 – accommodation) ($30/meal x 3/meeting)	No Change
Overseas Travel Per Diems			
MP[44]	UN DSA[45] + 100%	UN DSA x 1.25	
Assistant Minister	UN DSA + 100%	UN DSA x 1.25	
Leader of Opposition	UN DSA + 100%	UN DSA x 1.50	Same as Minister

[39] Tax-free Salary
[40] Covers all official travel, including traveling to and from Parliament for committee and plenary sittings, and in accordance with Parliament rules & regulations
[41] Includes air and sea travel, where required for official domestic travel
[42] All committee members entitled to sitting fee
[43] Committee members who have primary residence more than 30km radius from Parliament are eligible
[44] Includes Whips, Deputy Whips, Deputy Speaker & Committee Chairpersons
[45] DSA = Daily Subsistence Allowance which is calculated monthly and can be found here: https://icsc.un.org

Minister	UN DSA + 200%	UN DSA x 1.50	
Prime Minister	UN DSA + 250%	UN DSA x 2.00	
Speaker	UN DSA + 100%	UN DSA x 2.00 + $300	
President	50% UN DSA	UN DSA x 1.50 + $300	
MP[46] Additional Benefits			
Constituency Work	$10,000/year Constituency Work	$15,000/year Constituency Work	Tax-free
Tax-free & Duty-free Vehicles	No	Yes	One vehicle per term
Life Insurance	No	Yes	Coverage at $100,000 maximum
Medical Insurance	No	Yes	New benefit
Maternity/Paternity Leave	No	Yes	New benefit
Assistant Minister Car & Driver	Yes	Yes	No Change
Minister Car & Driver	Yes	Yes	No Change
Leader of Opposition Car & Driver	Yes	Yes	No Change
Speaker Car & Driver	Yes	Yes	No Change
Prime Minister Car & Driver	Yes	Yes	No Change

[46] Includes Whips, Deputy Whips, Deputy Speaker & Committee Chairpersons

B. Retirement Allowances

The *Parliamentary Retirement Allowances Act* (1989) should be fully re-written and introduced as a new Act to reflect the following recommended changes to the retirement scheme for MPs in Fiji.

25. Require an Independent Body to Review and Manage Retirement Reforms

The new Act should ensure elected officials have no influence over the determination of their retirement eligibility and allocation of allowances. This can be achieved by establishing an independent review process – either permanent or *ad* hoc – which will review MP remuneration and benefits under the *Parliamentary Remuneration* Act (2014) and the *Parliamentary Retirement Allowances* Act. The key to such a process is that the independent body has the authority to determine the allocation of retirement allowances without the Parliament needing to be engaged or to vote on the recommendations (as compared to the current process).

26. Redefine the Eligibility Requirements for a Retirement Allowance

Throughout this report the issue of eligibility has been front and centre. The following changes are recommended:

- Amend the Act to reflect a broader scope of who is eligible for a retirement allowance, including:
  - An MP under the age of 40 years is entitled to an allowance at a pro-rated scale that extrapolates from the current schedule which starts at 40 years of age (e.g. – 3.33% less for each year below the age of 40)
  - An MP between the ages of 40 and 55 years should still receive a pro-rated allowance.
  - Where an MP has received a pro-rated allowance before attaining the age of 55 years, when the former member reaches 55 years of age the allowance reverts to the full allowance

- The new Act should state that any MP who has served one term in Parliament is eligible for a retirement allowance. This should apply:
  - To all eligible MPs who have served since October 1970; and
  - Where a term has ended prior to four years/3.5 years, even if the end of the term was due to
    - No-confidence vote; or
    - Unconstitutional or extra-judicial means of ending the term

- Assuming the remuneration scheme is amended to have all MPs receive an MP salary and those that take on leadership posts to receive a separate allowance for that work, it is recommended that the new Act only apply to:
  - MPs

    - Leader of the Opposition
    - Speaker
- 12 years maximum service for calculating the allowance.

27. Allow Former MPs Under the Age of 55 Years with a Severe Disability to Receive an Allowance

The new Act should allow those former MPs with severe disability to receive a full allowance prior to 55 years of age, where they can demonstrate the disability prevents them from earning an income.

28. Eliminate Double-Dipping

Revise the Act to prevent an MP who returns to service to receive allowance while serving as an MP

29. Ineligibility for Bribery or Corruption Conviction

Clarify that if a former MP is convicted of bribery or corruption related to their time as an MP (or other qualifying post) then they will lose the retirement allowance permanently. Otherwise, they lose the allowance while they serve their sentence (custodial and/or non-custodial).

30. Redefine Who will be the Administrator for the Retirement Allowance

Revise the Act to designate Secretary-General of the Parliament as the Administrator of the retirement allowance.

31. Revise the Definition of Annual Salary for Purposes of Calculating the Allowance

The new Act should calculate the annual salary for allowance purposes based on an average of the three best years in which the former member has earned the highest salary.

32. Revise the Formula through which the Retirement Allowance is Calculated

Amend the formula to the following:

$$\frac{1}{12}\ x\ (Yx\ Z) = Annual\ Retirement\ Allowance$$

Where:

- *Y = Average Annual Salary based on best 3 years*
- *Z = Number of years of service as an MP*

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Table of Recommendations for Retirement Allowances

Issue	Description	Recommendation
Eligibility – Maximum Years of Service	During testimony before the Committee there were different interpretations of the provisions of Act related to the maximum number of years of service to be calculated for purposes of the eligible allowance. The Act states that the maximum number of years of service is 15 years. Yet, the Act could be interpreted to allow an MP to attain 15 years of service, retire for one or more terms, get re-elected and then restart the clock on another maximum 15 years of service, thus receiving a final allowance after full retirement based on up to 30 years of service.	Ensure the rules do not allow an MP to receive more than maximum years of service calculated toward retirement allowance
Double-Dipping	The Act is not completely clear as to whether or not an MP who retires, receives an allowance and then subsequently gets re-elected can collect the allowance while also an MP or holder of another qualifying post.	Revise the Act to prevent an MP who returns to service to receive allowance while serving as an MP
Severe Disability	The Act has no provision for an MP (or other holder of a qualifying post) who becomes severely disabled before reaching 55 years of age to apply for and receive the full allowance.	The new Act should allow those former MPs with severe disability to receive a full allowance prior to 55 years of age
Ineligibility for Conviction	The Act is unclear as to whether or not a former MP who is otherwise eligible for a retirement allowance is ineligible only while they serve a sentence for bribery or corruption or if such a conviction will make the former member ineligible permanently. A secondary question is whether or not a conviction for bribery or corruption should be linked to the member's work as an elected official or if any conviction, no matter the relevance to the elected post, is enough to make a former member ineligible for an allowance?	Clarify that if a former MP is convicted of bribery or corruption related to their time as an MP (or other qualifying post) then they will lose the retirement allowance permanently. Otherwise, they lose the allowance while they serve their sentence (custodial or non-custodial)
Spousal Eligibility	The Act is clear that only a person who was a spouse to a member while they were elected is eligible for the reduced rate of the allowance after the member's death. However, if the member remarries after retiring and the first spouse pre-deceases the member, should the second (or third) spouse have a right to a portion of the allowance?	No change to current rules. Allowing second or post-MP spouses to receive an allowance will create an unnecessary level of complexity to the allocation of allowances. Spouses who were married to an MP when the MP was serving in office are entitled to a constructive trust and therefore some of the allowance earned by the MP.
Administrator	The Act defines the Administrator as the Secretary to Cabinet, or some other person appointed by the Prime Minister. However, as the allowance is for MPs and other (mostly) elected officials, should the Administrator be a staff person of the Parliament?	Revise the Act to designate Secretary-General of the Parliament as the Administrator of the retirement allowance.
Qualifying Salary	Under the current Act the salary that is the basis for calculating the retirement allowance is the	The new Act should calculate the annual salary for allowance purposes

	salary the member was receiving in their final year of elected office. This can result in a member who has had a larger income – say, for being a minister or Leader of the Opposition – and then reverts back to the singular role of an MP. Their allowance is calculated based on the salary as an MP, as this was the salary in the member's last year of service. It is not based on the highest salary received by the member, which has an impact on the final calculation of the retirement allowance.	based on an average of the three best years in which the former member has earned the highest salary.
Retroactivity	Currently the Act has two application dates – the original from 1989 states that the allowance is only eligible to a member who has been an MP since 1970 and has attained four years of service. The Act was amended din 2016 to reflect the new Constitution of 2013, in which MPs elected under that constitution may only serve three years and six months for the completion of one term in office. If the formula or other aspects of the retirement allowance are amended, should the Act apply to those who are already receiving an allowance or only to those that will receive a retirement allowance in the future under a new scheme?	In general, retroactive application of legislation is considered bad form. In this case, all new provisions should apply to those that are currently sitting MPs and subsequently elected MPs as of the date of the proclamation of the new Act.
Redrafting	The Act was drafted in 1989. Since that time the format and quality of legal drafting has evolved. Does the Act need to be fully rewritten to reflect these new drafting standards and to make the Act more easily interpreted and understood by beneficiaries?	Draft a completely new Act.
Allowance as a Source of Income	Currently, the Act is silent as to whether or not the retirement allowance assigned to a former member or person who held a qualifying post is considered "income" for purposes of using such an allowance to secure debt or a loan by the former member. *De facto* the allowance is not considered income and, therefore, is not assignable (except for specific exceptions) and cannot be used as collateral or security for a loan or other debt instrument. IT should also be noted that the allowance is tax free, according to the Act, and, thus, is not considered income for tax purposes.	Clarify in the Act that the retirement allowance is not income and cannot be assigned or a lien placed upon it, except as related to debts owed to the State or for settling a divorce or to provide child support.
Eligibility – Qualifying Posts	If the remuneration scheme for MPs is amended to separate salaries for MPs from additional salaries for ministers, assistant ministers and other leadership posts in the Parliament, should the *Parliamentary Retirement Allowances Act* apply to only MPs and the salary attained as an MP? If so, what additional allowance, if any, should be allocated for those that assume such	Assuming the remuneration scheme is amended to have all MPs receive an MP salary and those that take on leadership posts to receive a separate allowance for that work, it is recommended that the new Act only apply to: o MPs

	leadership posts in government and Parliament in addition to their MP duties?	○ Leader of the Opposition ○ Speaker
Eligibility – Minimum Time Served	The Act allows for two separate minimum levels of service for those who hold a qualifying post. For those who served from October 1970 to December 2006, the minimum years of service is four years – equivalent to one term. For those elected after October 2014 the minimum time served to be eligible for an allowance is three years and six months – equivalent to one term. Should a former member be eligible for an allowance who may have served for a period shorter than one term? If so, should this new qualification rule apply for any reason that the MP was unable to serve the current minimum time period, including a no-confidence vote that triggers an early election or an unconstitutional or extra-judicial action that resulted in an MP not being able to complete a full term?	The new Act should state that any MP who has served in Parliament is eligible for a retirement allowance. This should apply to all eligible MPs who have served since October 1970, no matter the length of service.
Eligibility – Maximum Time Served	The current Act has a maximum of years of service at 15 years. Given the fact that parliamentary terms are four years in length, the maximum for purposes of calculating an allowance should be aligned with the length of the terms. Therefore, the maximum years of service should eb 12 years – or the equivalent of three terms of service.	The Act should reflect that the maximum years of service for calculating a retirement allowance is 12 years.
Eligibility – Age at Retirement	The Act allows for a full allowance for those former members who attain the age of 55. For those between the ages of 40 and 55 years, a former member is eligible for a reduced allowance pro-rated based on the proximity of their age to 55 years of age. The current rules have raised two issues. • First, should an MP under the age of 40 be eligible to receive an allowance? Should there be any floor with regard to the age for a former member to receive an allowance? • Second, should a former member who is under the age of 55 years be eligible for the full allowance or should it remain pro-rated. If pro-rated, should such a reduced allowance remain permanently, or until the former member achieves the age of 55 years, at which point the member would be eligible to receive the full allowance?	The Act should reflect a broader scope of who is eligible for a retirement allowance, including: ○ An MP under the age of 40 years is entitled to an allowance at a pro-rated scale that extrapolates from the current schedule which starts at 40 years of age (e.g. – 3.33% less for each year below the age of 40) ○ An MP between the ages of 40 and 55 years should still receive a pro-rated allowance. ○ Where an MP has received a pro-rated allowance before attaining the age of 55 years, when the former member reaches 55 years of age the allowance reverts to the full allowance
Independent Review Process	The current Act does not have a provision for the routine review of the key components of the Act, such as the formula used to calculate an allowance and various eligibility criteria. Is there	Amend the Act to reflect, as with the proposed review of remuneration, that an independent remuneration and allowances tribunal be established to

	a need for a review of the Act's provisions ate least once every five or ten years? If so, should that review be conducted independently of the Parliament and members and others who hold a qualifying post, to ensure those benefiting from the review of the retirement scheme are not directly involved in making decisions related to such allowances?	make determinations with regard to MP benefits and salary.
Allowance Formula	The current formula (as outlined in sub-section A) is somewhat complicated, by most accounts. Can the formula be simplified? Should the formula be amended to reflect a more reasonable allowance for former members? A simple measurement would be to maximize allowances based on serving three full terms.	Amend the formula to the following for calculating the allowance for an MP who serves one or after the date the new rules are proclaimed[47]: $\frac{1}{12}\ x\ (Yx\ Z) = Annual\ Retirement\ Allowance$ Where: *Y = Average Annual Salary based on best 3 years* *Z = Number of years of service as an MP*

[47] MPs who serve prior to the date the new rules are proclaimed should have their allowance calculated under the current formula.

Annex 1: Emoluments Committee Terms of Reference

PARLIAMENT OF THE REPUBLIC OF FIJI

EMOLUMENTS COMMITTEE

TERMS OF REFERENCE

AUTHORITY

Resolution of Parliament on Wednesday, 12 July 2023

Leader of the Government in Parliament moved that –

"Pursuant to Standing Order 129, that the Emoluments Committee be established to review the salaries and allowances of Members of Parliament as provided for under the Parliamentary Remunerations Act 2014, and the Emoluments Committee must report back to Parliament at the September sitting.

The Members of the Emoluments Committee shall comprise the following –

Hon. Lynda Tabuya;
Hon. Ro Filipe Tuisawau;
Hon. Aseri Radrodro;
Hon. Alvick Maharaj; and
Hon. Mosese Bulitavu."

The Motion was seconded and agreed to unanimously.

Parliamentary Remunerations Act 2014 ('Act')

Parliament may appoint a committee

9.—(1) Parliament may, by resolution, appoint a committee which shall provide advice to Parliament on the determination of remuneration*

Any committee appointed under subsection (1) must—
prepare a report as soon as it has completed its considerations and deliberations;
table the report in Parliament; and
be made available for members to access.

The Secretary-General must—
publish the report in the *Gazette* not later than 14 days after the date on which the report is tabled in Parliament; and
ensure that a copy of the report is made publicly available within 15 days after publication in the *Gazette*.

Standing Orders

129 Special Committees
A special committee may be established by resolution of Parliament to carry out the assignment specified in the resolution.
A special committee continues in existence until—
it completes its assignment; or
Parliament resolves to discharge the committee.
Members of a special committee must be appointed as part of the resolution of Parliament that establishes the committee.

A special committee has—
the powers of a standing committee conferred by these Standing Orders; and
any other powers specified in the resolution of Parliament that establishes the committee.
Standing Orders 111 and 118 to 122 apply to a special committee subject to any necessary modifications and the resolution of Parliament that establishes the committee.

*remuneration includes salaries, allowances and benefits (s2(1) of the Act).

MEMBERSHIP

The membership is as agreed to by the resolution of Parliament on Wednesday, 12 July 2023.

PROCESS

For the first meeting of the Emoluments Committee, the Secretary- General will chair the meeting for the election of the Chairperson. Following the election, the Secretary-General will request the elected Chairperson to take the meeting further.

The Emoluments Committee will then deliberate and decide on the procedures it wishes to take which would not be limited to the following –

- undertakes an 'inquiry' as it would with any other issue;
- call for submissions from the political parties represented in Parliament (the Act specifies that those affected may make submissions (but this is covered anyway under a normal committee inquiry in Standing Orders);
- may consider calling for submissions from other groups/stakeholders/interested persons or parties (the Act specifies that those affected may make submissions (but this is covered anyway under a normal committee inquiry in Standing Orders);
- receive written and oral submission which are referred/submitted to the Committee;
- action any other recommendations/instructions agreed to by the Members of the Committee;
- review and propose amendments to the Act – in the Schedules (salaries and allowances);
- must write a report;
- the Chairperson tables the report and it must be published in the Gazette; and

agree on the motion that the Chairperson will table in Parliament and subsequently, the Chairperson must move a motion for the Parliament to consider and approve the Committee's recommendations contained in the report

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