



Parliamentary
Budget Office

Policy costing

Increasing the size of Federal Parliament	
Person/party requesting the costing:	Mr James Stevens MP, Liberal Party of Australia
Date costing completed:	14 May 2024
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> Confidential Authorised for public release on 26 July 2024 <input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal would increase the number of Senate and House of Representatives positions by 40, consisting of 16 new Senators (2 per state and territory) and 24 new MPs in the House of Representatives.</p> <p>The proposal would include additional funding for recurrent and capital expenditure to support the new parliamentarians, including modifications to Australian Parliament House (APH) and on-boarding costs.</p> <p>The proposal would commence on 1 May 2028.</p>	

Costing overview

Due to the commencement date, the proposal would not result in any financial implications over the 2023-24 Budget forward estimates period. The proposal would have an impact on the fiscal and underlying cash balances over the medium-term period, reflecting the increase in expenses associated with additional parliamentarians. The underlying cash balance impacts differ slightly from the fiscal balance impacts due to lags between when expenses occur and when they are accrued.

A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2033-34 is provided at Attachment A.

The scope of financial implications presented in this costing is limited to:

- Salary and allowances provided to additional parliamentarians and staff directly employed by parliamentary offices.
- Parliamentary office expenses relating to travel, accommodation, employee costs, office administrative costs, transportation, and telecommunications.
- Additional use of parliamentary support services, including the Department of the Senate, the Department of the House of Representatives, the Department of Parliamentary Services, the Parliamentary Budget Office, and Parliamentary Workplace Support Services.

- Building expenses associated with the internal remodelling of APH to accommodate an additional 40 parliamentarian offices.
- Costs associated with selected parliamentary support offices being relocated to other buildings to provide space for the 40 additional parliamentarian offices within APH, including both one off movement and outfitting costs, and ongoing additional operational expenses.

If implemented, this proposal is also likely to result in further costs than accounted for in this costing. The financial implications of this costing do not include anticipated additional costs such as:

- Additional Australian Electoral Commission expenses (e.g. electorate boundary changes and voting systems), or any additional expenses incurred by other Commonwealth agencies.
- Impacts of genuine redundancy payments or compulsory termination, changes in parliamentary composition due to election periods or losses of office, or changes in allowances determined by the Remuneration Tribunal.
- Non-cash benefits and allowances provided to parliamentarians that may increase proportional to wage payments.

Uncertainties

The financial impacts of the options in the proposal are highly sensitive to assumptions related to:

- Composition of parliament and volume/timespan of Senate, House and Joint Committees and other roles that attract additional remuneration.
- Composition of electorate and personal staff including pay grade and their employing Senator or Member's electorate location.
- Changes in the rates of travel expenditure, including family and overseas travel, which are not utilised equally amongst parliamentarians and will fluctuate between years.
- Expenses associated with the remodelling and renovation of APH which are dependent upon a range of factors such as historical significance, Parliamentary Service regulations, and structural requirements which may disproportionately increase the total cost.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Salaries, allowances, superannuation entitlements and other payments would increase consistent with Wage Cost Index - 3 (WCI-3).
- Travel expenditure, parliamentary business budgets, vehicle costs, and office costs would increase consistent with the Consumer Price Index (CPI).
- Each new parliamentarian's office would have the space to facilitate 7 staff plus the member, resulting in 320 staff needing being relocated outside of APH.
- Approximately 16m² of office rental space would be required per parliamentary support staff member that is relocated to other offices, including meeting rooms, various offices, and a kitchen and breakout area.
 - In 2027-28 rental office space would be approximately \$614 per m² and fit-out costs for parliamentary service staff would be approximately \$1,444 per m².
 - Rental costs of office spaces would increase at a rate of 3.5% per annum.

- Approximately 150m² of office space would be required within APH per additional parliamentarian.
 - In 2027-28 the per office fit-out cost would be approximately \$540,000 (\$3,600 per m²).
- Status of Parliamentarians, their classification, engagement in committees, travel amount, and Cabinet composition, would remain consistent with average staffing levels between 2021 and 2023 across the medium-term period.
 - Expansion of parliament would not result in the creation of additional cabinet, shadow cabinet or committee positions. All additional parliamentarians are assumed to be major party backbenchers, independents, or from minor parties.
- Travel, including family and overseas travel costs, would be distributed equally among parliamentarians. This would include the allowance offered for Private Plated Vehicles, which is assumed to be taken up by all new parliamentarians.

Methodology

Data provided by the Department of the House of Representatives, the Department of the Senate, and the Department of Finance (Ministerial and Parliamentary Services) was used in conjunction with publicly available data on travel expenditure provided by the Independent Parliamentary Expenses Authority to create a profile for the overall cost of a parliamentarian.

- Salaries, allowances, superannuation entitlements, and other payments provided to Parliamentarians were projected across the costing period under the assumed growth rates discussed in *Key assumptions*.
- Additional staffing was then allocated for the parliamentary departments (the Department of Senate, the Department of House of Representatives, the Department of Parliamentary Services and the Parliamentary Budget Office) and the Parliamentary Workplace Support Service to cover the additional ongoing auxiliary support costs associated with the expansion of parliament.

Data provided by the Department of Parliamentary Services in conjunction with publicly available data on office fit-out costs was used to calculate the expenses associated with relocating and housing the staff that would accompany an increase the number of parliamentarians.

- Ongoing and non-going expenses relating to the relocation of parliamentary services staff were calculated by multiplying the amount per m² per staff member by the estimated 320 staff that would be required to relocate.
 - Ongoing components were projected across the medium term under the assumed growth rates discussed in *Key assumptions*.
- Expenses associated with refitting APH to accommodate the additional parliamentarians' offices were calculated by creating a profile for the cost of a single high-end office fit out (as per *Key assumptions*) and multiplying by 40.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Data sources

Department of the House of Representatives provided data on the wages and allowances of members of the House of Representatives.

Department of the Senate provided data on the wages and allowances of members of the Senate.

Department of Finance (Ministerial and Parliamentary Services) provided data on the composition of electorate and personal staffing of members of parliament.

The Department of Parliamentary Services provided data on office costs.

The Department of Finance and the Treasury provided indexation parameters as at the 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO).

Office fit-out costs [Fit Out Calculator \(apexi.com.au\)](https://apexi.com.au), accessed 9 May 2024.

Independent Parliamentary Expenses Authority 2021-22 Expenditure Reports [Expenditure summary | Independent Parliamentary Expenses Authority](#) (ipea.gov.au), accessed 9 May 2024.

Attachment A – Increasing the size of Federal Parliament – financial implications

Table A1: Increasing the size of Federal Parliament – Fiscal balance (\$m) ^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Departmental</i>													
<i>Parliamentarian</i>	-	-	-	-	-10.0	-61.4	-62.8	-64.2	-65.7	-67.2	-68.8	-	-400.1
<i>Parliamentary Support</i>	-	-	-	-	-1.6	-9.7	-9.8	-9.9	-10.1	-10.2	-10.3	-	-61.6
<i>Building Costs</i>	-	-	-	-	-30.3	-3.1	-3.2	-3.3	-3.5	-3.6	-3.7	-	-50.7
Total – expenses	-	-	-	-	-41.9	-74.2	-75.8	-77.4	-79.3	-81.0	-82.8	-	-512.4
Total (excluding PDI)	-	-	-	-	-41.9	-74.2	-75.8	-77.4	-79.3	-81.0	-82.8	-	-512.4

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A2: Increasing the size of Federal Parliament – Underlying cash balance (\$m) ^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Payments													
<i>Departmental</i>													
<i>Parliamentarian</i>	-	-	-	-	-9.6	-59.4	-62.7	-64.2	-65.7	-67.2	-68.7	-	-397.5
<i>Parliamentary Support</i>	-	-	-	-	-1.6	-9.4	-9.8	-9.9	-10.1	-10.2	-10.3	-	-61.3
<i>Building Costs</i>	-	-	-	-	-30.3	-3.1	-3.2	-3.3	-3.5	-3.6	-3.7	-	-50.7
Total – payments	-	-	-	-	-41.5	-71.9	-75.7	-77.4	-79.3	-81.0	-82.7	-	-509.5
Total (excluding PDI)	-	-	-	-	-41.5	-71.9	-75.7	-77.4	-79.3	-81.0	-82.7	-	-509.5

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A3: Increasing the size of Federal Parliament – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-	-	-1.0	-3.7	-7.4	-11.3	-15.6	-20.1	-24.9	-	-84.0
<i>Underlying cash balance</i>	-	-	-	-	-0.8	-3.2	-6.7	-10.6	-14.8	-19.3	-24.1	-	-79.5

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

² [Online budget glossary](#)