



**LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

OFFICE OF THE LEGISLATIVE ASSEMBLY

Anne Cahill Lambert, AM
Chair
ACT Remuneration Tribunal
PO Box 964
CIVIC SQUARE ACT 2608

Dear Ms Cahill Lambert

2015 Review of MLAs Salary and Entitlements

I note that the Tribunal is conducting its annual review in to MLA remuneration and thought it may be useful to make a submission for the Tribunal to consider.

It was drawn to my attention recently that you had written to all MLAs about the Tribunal's current review and that, in particular, you advised them that the Tribunal was keen to hear from MLAs about any impact of the substantial review that was undertaken in 2014. Given the role that the Office of the Legislative Assembly (the Office) plays in the administration of members' remuneration and related entitlements, I thought the Tribunal may wish to consider the Office's experience of the changes.

There are also a number of issues that are unrelated to the Tribunal's 2014 review that, in my view, are worthy of drawing to the Tribunal's attention and, accordingly, these are also discussed separately below.

The 2014 Review

In general terms, the Office has not encountered any significant issues with the changes to entitlements.

The alignment of travel allowance (t/a) rates with the ATO's annual determination of reasonable amounts was sensible. It now mirrors the system that has applied to OLA staff for more than a decade and reduces the number of different sets of travel entitlements in place for the various client groups that the Office administers.

The abolition of study and accompanied travel has, not surprisingly, seen an overall reduction in travel being undertaken. Some observers thought this change may lead to an increase in travel

being proposed (by Assembly committees, for instance) – but there is no evidence of that occurring.

The Assembly is an active member of the Commonwealth Parliamentary Association (CPA) and members of the Assembly branch, some of them representing the Australian Region, have travelled overseas to participate in CPA conferences, seminars and meetings. In addition, under the CPA Australian region twinning arrangements, a number of Assembly members have travelled to Kiribati to assist in the development of the systems and procedures in our Pacific twin's parliament. When members have travelled overseas on Assembly business, the revised overseas t/a arrangements have proven effective because they are based on reimbursement of expenses incurred and, because most of the overseas travel is to attend CPA events where the CPA usually meets the accommodation and meal costs for delegates, there have not been a great deal of expenses that have required reimbursement.

The progressive phasing out of members' leased and privately plated motor vehicles continues. At the time of this submission, five non-Executive members continue to have leased vehicles and the last of these leases will not expire until this time next year. Most members whose leased vehicles have reached end of term have then moved into some form of salary packaging arrangement. While such arrangements do attract some residual administrative load, particularly around the initial period of the novated lease, the overall level of administration associated with fleet management of members vehicles has reduced.

On the issue of vehicles, there is one potential anomaly that I wish to draw to the Tribunal's attention for consideration. It affects members who are not provided with a leased vehicle and, as such, it existed prior to the 2014 review. However, because the 2014 review is progressively phasing out vehicles, the potential for it to impact on members is now increasing. The potential issue arises when a member is travelling interstate on Assembly business and might wish to travel by car instead of other modes of travel (eg air). If air travel is used, for example, the cost of flights is met by the Assembly but, if a member travels by car, they are ineligible for reimbursement of any fuel costs or per kilometre allowances because the member is already in receipt of an allowance to compensate them for the costs of providing their own vehicle to undertake MLA work. The Tribunal may therefore wish to consider whether, in addition to the allowance paid to members in lieu of a leased vehicle, such members might be entitled (subject to the necessary approvals) to be paid for long distance travel in a motor vehicle that is undertaken in lieu of air travel when conducting Assembly business.

In relation to the introduction of a communications allowance, the Assembly sought expert taxation advice and, based on that advice, sought a PAYG withholding exemption from the Commissioner for Taxation, which the Commissioner granted. The basis for this exemption was that the communications allowance is expected to be fully acquitted by each MLA via allowable deductions and, accordingly, the fortnightly payment can be made without PAYG being withheld. The Commissioner requires that the exemption is renewed each year.

One matter that I recall being asked about by the Tribunal at the time of the 2014 review and which has since been clarified concerns the arrangements applying to frequent flyer points earned by members when they travel on Assembly business. Following the receipt of some advice on this matter, I wrote to all members in October 2014 to advise them that all such points should be included in members' declarations of pecuniary interests.

The final issue I would like to flag with the Tribunal is very minor in nature. Under section 8 of the Tribunal's current MLA determination, with a sub-heading "Class of air travel", only the first clause (8.1) deals with the class of air travel entitlement. The next two clauses (8.2 and 8.3) both deal with the ability of the Chief Minister and the Speaker to provide guidelines but, as constructed, it could appear as if the power to make guidelines is limited to guidelines on the class of air travel entitlement. The insertion of a new subheading – "9. Guidelines" and the renumbering of clauses 8.2, 8.3 and subsequent parts would address the issue.

Please do not hesitate to contact this Office if you require any further information. In the first instance, the Office's Director of Business Support, Ian Duckworth, would be the best point of contact. He is available on 620 50181 or at ian.duckworth@parliament.act.gov.au.

Yours sincerely



Tom Duncan
Clerk of the Legislative Assembly

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