



## Australian Capital Territory Remuneration Tribunal

# Members of the ACT Legislative Assembly

## Determination 1 of 2021

made under the

**Remuneration Tribunal Act 1995, section 9 (Inquiries about members of Legislative Assembly)**

## ACCOMPANYING STATEMENT

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### Background

Under section 9 of the Remuneration Tribunal Act 1995 (the Act) the Remuneration Tribunal (Tribunal) is required to inquire into, and determine, the salary, allowances and other entitlements for:

- the Chief Minister;
- the Deputy Chief Minister;
- other Ministers; and
- Members of the Legislative Assembly (Members) other than Ministers, including the Presiding Officer (known as the Speaker).

Section 9 of the Act, read in conjunction with section 73 of the *Australian Capital Territory (Self-Government) Act 1988 (Commonwealth)*, requires the Tribunal to determine the salary and allowances for the:

- Leader of the Opposition;
- Deputy Leader of the Opposition;
- Government Whip;
- Opposition Whip; and
- presiding member of a committee of the Legislative Assembly.

### Considerations

In September 2020, the Tribunal decided to determine no adjustment to remuneration, allowances or entitlements for the position holders within its jurisdiction.

In April 2021, the Tribunal commenced its Autumn Sitting to consider the remuneration, allowances and other entitlements in relation to Members of the Legislative Assembly.

The Tribunal advertised its Autumn Sitting on its website and in the Canberra Times on Saturday 20 February 2021. The Tribunal also wrote to the relevant position holders requesting submissions.

At its meeting in April 2021, the Tribunal met with the Chief Minister, ACT Government Treasury officials and officials responsible for the Enterprise Agreement bargaining for ACT Public Sector non-executive employees. The Tribunal reconvened for additional briefings from Treasury officials in June and July 2021, in particular to pay further attention to the economic circumstances of the Territory.

In its deliberations, the Tribunal gave considerable weight to community standards and expectations, in particular in terms of the continuing uncertainty of circumstances currently faced in the Territory by the recent outbreak of the COVID-19 Delta variant across the country.

The Tribunal balanced this consideration with the importance of the Territory providing competitive and equitable remuneration, allowances and other entitlements to Members of the Legislative Assembly.

In this context, the Tribunal noted the wage policies and recent remuneration determinations by its Commonwealth and State/Territory counterparts<sup>1</sup>.

The Tribunal had regard to the 2020-21 ACT Budget that was released in February 2021 by the Chief Minister which predicted growth in 2021-22 of 1.75 per cent in WPI and 1.25 per cent in CPI<sup>2</sup>.

The Australian Bureau of Statistics released the Consumer Price Index June Quarter 2021 on 28 July 2021 which included an increase of 0.8 per cent to the ACT during the June quarter, with a 4.8 per cent increase over the year (June 2020 to June 2021)<sup>3</sup>. Notwithstanding this, the Tribunal notes the national trimmed mean inflation was 1.6 per cent over the year<sup>4</sup>.

The Tribunal considered the statements from the Governor of the Reserve Bank of Australia released during April 2021 and July 2021 and noted his views concerning the importance of increasing wages to stimulate consumption.

The Tribunal also noted the outcome of the Annual Wage Review of the Fair Work Commission<sup>5</sup> released in June 2021.

The Government had previously requested the Tribunal to consider the motor vehicle allowance that was introduced in 2014 which has not been adjusted since 2015.

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<sup>1</sup> Executive pay increases in the Australian Public Service are being capped in line with the Private Sector WPI of 1.7 per cent according to the Public Sector Workplace Relations Policy 2020 from the most recently released June quarter, see Australian Bureau of Statistics, Wage Price Index (June 2020), <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/jun-2020#main-features>

<sup>2</sup> ACT Budget 2020-21, Chapter 1, Overview, Table 1.2.1 Economic Parameters, 2020-21 Budget, baseline forecasts, percentage change, p.11

<sup>3</sup> Australian Bureau of Statistics, Consumer Price Index (July 2021), <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-2021>

<sup>4</sup> The trimmed mean is designed to remove large, one-off price impacts. Australian Bureau of Statistics Media Release: CPI rose 0.8% in the June 2021 quarter (28 July 2021), <https://www.abs.gov.au/media-centre/media-releases/cpi-rose-08-june-2021-quarter>

<sup>5</sup> The Fair Work Commission announced a 2.5% increase to the national minimum wage and all award wages, see Annual Wage Review 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/annual-wage-review-2021>

## **Decision**

The Tribunal has taken a later decision than usual due to the ongoing uncertainty created by both the COVID-19 pandemic and its potential impact on the economic situation of the Territory. The Tribunal acknowledges that there continues to be uncertainty due to the outbreak of the COVID-19 Delta variant. However, the Tribunal believes that it would not be prudent to delay further its decision on the remuneration of the position holders covered by this Determination.

Given the reasons outlined above, the Tribunal has decided to provide an increase of 1.8 per cent to the remuneration of Members of the Legislative Assembly covered by this Determination. The increase is taken to have commenced on 1 July 2021.

In Determination 1 of 2019, the Tribunal indicated that it would review the rate of the motor vehicle and taxi allowance at the 2020 Autumn Review. In September 2020, the Tribunal decided to determine no adjustment to remuneration, allowances or entitlements for Members of the Legislative Assembly due to the COVID-19 pandemic.

The Tribunal has taken a decision at this time that there will be no increases to allowances and other entitlements for Members of the Legislative Assembly.

August 2021



## Australian Capital Territory Remuneration Tribunal

# Members of the ACT Legislative Assembly

## Determination 1 of 2021

made under the

Remuneration Tribunal Act 1995, section 9 (Inquiries about members of Legislative Assembly)

### 1 Commencement

1.1 This instrument is taken to have commenced on 1 July 2021.

### 2 Base salary

2.1 The base remuneration for Members of the Legislative Assembly (**Member**) is \$171,525 per annum.

### 3 Additional annual salary

3.1 A person holding an office mentioned in Column 1 of Table 3.1 is entitled to the additional remuneration annually mentioned in Column 2 of Table 3.1.

**TABLE 3.1**

Column 1 <b>Office</b>	Column 2 <b>additional remuneration above the rate set out in clause 2.1</b>	Column 3 <b>% base remuneration</b>	Column 4 <b>Total remuneration</b>
Chief Minister	\$188,677	110%	\$360,202
Deputy Chief Minister	\$137,220	80%	\$308,745
Minister	\$120,067	70%	\$291,592
Presiding Officer	\$94,339	55%	\$265,864
Leader of the Opposition	\$120,067	70%	\$291,592

Column 1 <b>Office</b>	Column 2 <b>additional remuneration above the rate set out in clause 2.1</b>	Column 3 <b>% base remuneration</b>	Column 4 <b>Total remuneration</b>
Deputy Leader of the Opposition	\$34,305	20%	\$205,830
Deputy Presiding Officer	\$25,729	15%	\$197,254
Government Whip	\$17,152	10%	\$188,677
Opposition Whip	\$17,152	10%	\$188,677
Presiding Member of a committee that is concerned with public affairs rather than affairs of the Legislative Assembly	\$17,152	10%	\$188,677

#### 4 Salary Packaging

- 4.1 A Member may elect to take their base salary and/or their additional annual salary as:
  - a) salary; or
  - b) a combination of salary and other benefits (a **salary package**).
- 4.2 Salary packaging must be consistent with taxation laws and guidelines issued by the Australian Taxation Office.
- 4.3 Up to 100% of salary can be taken as benefits and related costs such as fringe benefits tax.
- 4.4 Salary packaging must be administered without additional cost to the ACT Government and any fringe benefits tax associated with the provision of a benefit must be included in the salary package.
- 4.5 The Chief Minister may provide guidelines about the administration of this entitlement for Executive members.
- 4.6 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

#### 5 Resettlement Allowance

- 5.1 All Members are entitled to payment of two weeks' salary for every year of service, capped at a maximum of twelve weeks' salary, if they retire, resign or stand for re-election and are unsuccessful.

- 5.2 The rate of pay of resettlement allowance will be calculated at the base rate of a Member, viz., without any extra loadings for office holders.

## **6 Travelling allowance—within Australia**

- 6.1 In this clause:

**Assembly business** means travel as part of service on an Assembly committee; travel as a representative of the Assembly branch of the Commonwealth Parliamentary Association or as an office holder of the Association; or travel as a representative of the Assembly as determined by the Speaker. It does not include travel for party political purposes.

**commercial accommodation** includes a hotel, motel or serviced apartment.

**office holder** means the Chief Minister, Deputy Chief Minister, Minister or Presiding Officer, except where that term is used in the definition of Assembly business to refer to travel as an office holder of the Commonwealth Parliamentary Association.

- 6.2 Travelling allowance covers the reasonable cost for travel outside of Canberra and is payable at the rates that correspond with the amounts set out in the relevant Australian Taxation Office Taxation Determination relating to reasonable travel and overtime meal allowance expense amounts for each income year, for:

- a) accommodation; and
- b) meals; and
- c) incidental expenses.

- 6.3 Travelling allowance is payable if a Member must stay overnight:

- a) on Assembly business; or
- b) for an office holder — on official business as an office holder; or
- c) for a Member other than an office holder — on official business on behalf of an office holder.

- 6.4 Travelling allowance is not payable for travel for party political purposes.

- 6.5 An office holder or a Member nominated by the Chief Minister to represent an office holder on official business is entitled to an additional travelling allowance to cover the actual costs of accommodation, meals and incidental expenses up to the value that the office holder would have received, if:

- a) it is appropriate and reasonable for the conduct of the official business for the person to stay in accommodation at the same location where a meeting is held, or nearby to where a meeting is held; or
- b) it is appropriate and reasonable for the conduct of the official business for the person to stay in accommodation with other participants of a meeting; or
- c) the person is required to stay in commercial accommodation nominated by the host jurisdiction or host organisation; or
- d) there are exceptional circumstances.

- 6.6 If a Member travelling on Assembly or official business does not stay in commercial accommodation, the travelling allowance is a rate of one third of the total daily rate in the relevant Australian Taxation Office Taxation Determination, rounded upwards to the nearest dollar.

## **7 Travelling allowance—outside Australia**

- 7.1 A Member who travels overseas on office holder or Assembly business may:
- a) be reimbursed the actual, reasonable costs incurred for accommodation and travel expenses up to the amounts as set out in the relevant Australian Taxation Office Taxation Determination;
  - b) be provided with a per diem allowance for meals and incidentals as set out in the relevant Australian Taxation Office Taxation Determination; and
  - c) be provided a cash advance for anticipated costs for accommodation and travel costs which must be acquitted within eight weeks of returning to Canberra.

## **8 Class of air travel**

- 8.1 Members are entitled to business class air travel when travelling on Assembly or official business.
- 8.2 Members are provided with one airline lounge membership of their choice.
- 8.3 The Chief Minister may provide guidelines about the administration of all travel entitlements for Executive Members contained in this Determination.
- 8.4 The Presiding Officer may provide guidelines about the administration of all travel entitlements for non-Executive Members contained in this Determination.

## **9 Incidental travel in conjunction with Official travel**

- 9.1 The Tribunal notes that there is a practice whereby Members travelling on official business have been permitted to include incidental travel in such trips at no additional cost to the Territory.
- 9.2 For the avoidance of doubt, the Tribunal determines that Members may combine incidental personal travel with official travel, provided there is no additional cost to the Territory. If the period of such incidental travel is greater than 40% of the period of official travel, a pro rata contribution must be made to the overall cost of the travel.
- 9.3 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.
- 9.4 The Clerk may provide guidelines about the administration of this entitlement for non-Executive Members as per the *Financial Management Act 1996*.

## **10 Motor vehicle**

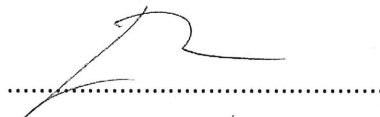
- 10.1 All Members are entitled to:
- a) an allowance of \$25,500 per annum (a privately plated motor vehicle will no longer be offered as an option); and

- b) an allowance of \$2,500 per annum for taxis/hire cars to travel to and from official functions where private transport may not be appropriate in the interests of workplace safety and/or security; and
  - c) a car parking space at or near the Legislative Assembly.
- 10.2 Where a Member already has a vehicle lease in place at the time of this Determination, the lease is able to continue but shall not be renewed.
- 10.3 The allowance at 10.1(a) is not payable to Members who have leased vehicles at the time of the determination, until any existing vehicle lease has expired and the vehicle is surrendered.
- 10.4 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.
- 10.5 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.
- 11 Revocation of previous determination**
- 11.1 Determination 1 of 2020 is revoked.

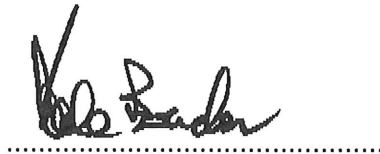
Ms Sandra Lambert AM  
Chair



Dr James Popple  
Member



Mr Dale Boucher PSM  
Member



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