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CHIEF MINISTER

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

Dear Ms  Cahill Lambert

Thank you for your letter of 10 December 2013 informing me of the release of the ACT Remuneration Tribunal's issues paper on remuneration for Members of the Legislative Assembly (MLAs) and inviting submissions.

Overall I support measures to ensure all MLAs, whether Executive or non-executive Members, receive the tools and allowances needed to discharge their responsibilities and communicate effectively with their electorate within a fiscally responsible envelope.

The ACT is geographically a small jurisdiction and all MLAs, not just the Chief Minister, are highly visible and accessible to the general community. For this reason, I am of the view that the position of Chief Minister should not be afforded special treatment and allowances, but rather that provisions made for the Chief Minister should be consistent with those afforded to other MLAs.

Base salary

Overall this submission starts from the position that MLAs are paid well for the job they are asked to do.

MLAs are not public servants and have very different responsibilities and duties and I do not support aligning salaries with SES Level 1 positions nor do I agree with reintroducing the nexus between the ACT and Commonwealth parliamentarians which was ended in 2011.

Of all the options presented by the Tribunal, I would support the continuation of a general adjustment only.

Resettlement allowance

The Tribunal's issues paper highlights a number of factors that warrant the provision of support for MLAs transitioning from public to private life.

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As stated in my submission to the Tribunal of 8 April 2013, I consider that there is merit in introducing a resettlement allowance for MLAs in recognition of their service to the Territory (for some MLAs this service has exceeded 10 years) and for those unsuccessful at re-election and unable to access their superannuation.

It may be appropriate to calculate such a benefit by reference to a former MLA's time of service

to the Assembly and that it is based on the base salary for MLAs. One suggested model could be for the entitlement to accrue at the rate of two weeks' pay for each year of service with a maximum cap applied.

As noted above while the issues paper suggests that special arrangements should be made for Chief Ministers in respect of any resettlement allowance, I suggest that such treatment is unwarranted and would support access to the same allowance as available to other MLAs.

Electorate/Communication allowance

The issues paper identifies the importance for MLAs to maintain contact with constituents in their various electorates.

Currently, the Discretionary Office Allowance (DOA) – which is vetted and approved by public servants employed by the Office of the Legislative Assembly – is only available to non-executive MLAs.

I would support the introduction of an allowance which allows all members to communicate and maintain contact with their constituents. This allowance should allow for greater flexibility, should not be managed by the OLA and should have appropriate accountability and probity guidelines attached to it.

In considering any revised form of allowance, it would be beneficial for the requirements to focus on the intended outcomes rather than stipulating the means of achieving the outcomes. For example, rather than a 'printing allowance' or 'laptop allowance', provision of a broad 'communication allowance' would allow greater flexibility in how funds are used by each MLA and enable potential innovation and efficiencies such as online rather than hardcopy communication.

Use of the Australian Taxation Office to ensure accountability for the allowance, supported by appropriate guidance for MLAs, would be an efficient mechanism for ensuring appropriate expenditure. Given that the ACT does not have the broad geographic spread that exists in other jurisdictions, allocation of a flat amount for all MLAs would seem appropriate and would avoid the complications of a population-based formula, as identified in the issues paper.

Travelling allowance

The Tribunal has noted that in reviewing travelling allowances it is concerned to ensure that no member is out of pocket when appropriately representing the ACT interstate or overseas and that arrangements are appropriate, without imposing risks on any member.

Unless there is a sound reason for travel allowance amounts for MLAs to differ from those set for Federal parliamentarians, I would support the allowance for

both domestic and international travel (including for the Chief Minister) being set in line with the rates set for Federal parliamentarians. These rates are based on Tax Determination 2013/16 for the 2013-14 financial year and reviewed annually by the Australian Taxation Office. The Tax Determination shows amounts for accommodation, food and drink and incidental expenses.

As for Federal parliamentarians, some office holders are granted higher entitlements as listed in the ACT Remuneration Tribunal Determination 1 of 2013. However, the principles and procedures for accepting and acquitting the allowance should be consistent for all MLAs. For example, Determination 1 of 2013 states that for international travel, executive members are reimbursed for actual reasonable costs incurred for accommodation, meals, transfer and travel expenses while non-executive members are reimbursed the actual reasonable costs of accommodation and transfer but receive an allowance for the cost of meals and incidental expenses. Such differentiation between executive and non-executive members seems arbitrary, unfair and should be standardised.

Under Determination 1 of 2013, in particular circumstances an office holder or member on approved official business may be granted travel allowance in excess of their usual entitlement. For example, it may be reasonable for the traveller to stay in accommodation at the same location where a meeting is being held, despite it exceeding their usual entitlement. The conditions listed in the Determination are reasonable and should be retained through any changes to the travel allowance.

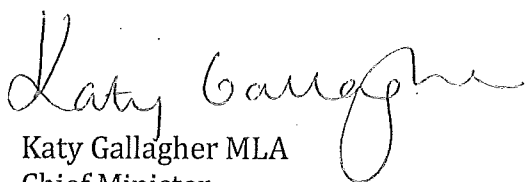
Study and accompanied travel allowance

The uneven utilisation of these allowances over the past Assembly's suggests that it is not necessarily fulfilling a useful role for MLAs or the community. If savings need to be identified, I would support consideration being given to the discontinuation or reduction of these allowances, particularly in relation to spousal travel allowances.

In conclusion I would urge the Tribunal to consider any increases in pay, entitlements and allowances against the back drop of the ACT's current tight budgetary position. With impending Commonwealth job losses in the public sector in the ACT I would respectfully request that the Tribunal seek to find offsets for any increases in entitlements – particularly through adjusting other allowances or loadings.

I appreciate the Tribunal's efforts in reviewing MLAs' entitlements so comprehensively and I thank you for the opportunity to make a submission.

Yours sincerely



Katy Gallagher MLA
Chief Minister

25 FEB 2014