



Australian Capital Territory Remuneration Tribunal

## Members of the ACT Legislative Assembly

### Determination 1 of 2016

made under the

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

## ACOMPANYING 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.

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.

### 2015 review

The Tribunal remained mindful of its extensive review of salary, allowances and other entitlements for Members of the Legislative Assembly (MLAs) in 2014. The intent of that review was to streamline remuneration and allowances and to give MLAs a staged increase in remuneration to align them with their work value. At the time the intent was to provide for a 6% salary increase in 2014 with a subsequent increase, if possible in 2015.

At its 2015 Autumn review, the Tribunal issued Determination 2 of 2015 in April 2015 which provided:

- an increase of 3% for MLAs salary – the Tribunal deferred making a substantial increase of 6% as had been foreshadowed, given the economic circumstances that prevailed at the time;
- an increase of \$4,000 for motor vehicle allowance to reflect the actual costs of leasing and running a standard motor vehicle; and
- aligned reimbursement for meals and incidentals for travel to a per diem allowance in line with Determinations issued from time to time by the Australian Tax Office relating to reasonable travel and overtime meal allowance expense amounts.

At the review the Tribunal noted there is no specific reference to car parking, airline lounge membership and incidental travel in conjunction with official travel in previous determinations, and clarified arrangements relating to these matters accordingly.

In September 2015 the Tribunal issued Determination 7 of 2015 which amended Clause 11 in relation to the Communications Allowance to clarify the intent of the allowance.

### **2016 review**

The Tribunal called for submissions in January 2016 to support its annual review of MLAs salary, allowances and other entitlements.

The Tribunal wrote to all MLAs - seeking feedback on any unintended consequences or any difficulties experienced, such as with allowances and entitlements, since the implementation of the extensive 2014 review.

This Determination sets out the Tribunal's decisions following the 2016 annual review.

### **Decisions regarding remuneration, allowances and other entitlements**

The Tribunal considered information from a number of sources as part of its inquiry. On this occasion the Tribunal considered:

- unintended consequences flowing from changes made as part of the 2014 review;
- national economic indicators, including the Wage Price Index, Labour Force data, Average Weekly Earnings and the Consumer Price Index;
- economic factors specific to the ACT, including current and forward projections; and
- oral and written submissions received, including the ACT Government Submission.

The Tribunal did not receive any formal submissions from MLAs highlighting unintended consequences coming out of the 2014 review.

Having balanced these considerations the Tribunal decided to make the following changes to salary, allowances and other entitlements for Members:

- an increase to the base rate of Members' salary by 4% (comprising a 2.5% general increase plus a 1.5% increase in line with the Tribunal's intentions as part of the 2014 review, and the recognition of the personal contributions that MLAs make towards their own ongoing professional development following the abolition of study travel).



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#### 1 Commencement

1.1 This instrument commences on 1 July 2016.

#### 2 Base salary

2.1 The base salary for Members of the Legislative Assembly (*Member*) is \$142,228 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 annual salary mentioned in Column 2 of Table 3.1.

**TABLE 3.1**

Column 1 <b>Office</b>	Column 2 <b>additional salary</b>	Column 3 <b>% base salary</b>
Chief Minister	\$156,451	110%
Deputy Chief Minister	\$113,782	80%
Minister	\$99,560	70%
Presiding Officer	\$78,225	55%
Leader of the Opposition	\$99,560	70%
Deputy Leader of the Opposition	\$21,334	15% <sup>1</sup>

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<sup>1</sup> This rate will commence from the conclusion of the eighth Legislative Assembly OR if there is a change from the current officeholder before the expiration of the current Assembly. Until that time, the current officeholder will remain entitled to additional salary at the rate of 45% of the base salary being \$64,003.

Column 1 <b>Office</b>	Column 2 <b>additional salary</b>	Column 3 <b>% base salary</b>
Deputy Presiding Officer	\$21,334	15%
Government Whip	\$14,223	10%
Opposition Whip	\$14,223	10%
Presiding Member of a committee that is concerned with public affairs rather than affairs of the Legislative Assembly	\$14,223	10%

#### 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 lose office, retire or resign.

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.

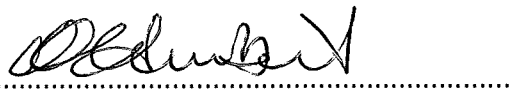
## **11 Communications Allowance**

- 11.1 All Members are entitled to a Communications Allowance of \$15,000 per annum to assist them in exercising their functions as Members of the ACT Legislative Assembly.
- 11.2 The allowance is to be paid in fortnightly instalments to Members.
- 11.3 Items that can be purchased through this allowance include, but are not limited to:
- mobile telephone;
  - computer tablet;
  - laptop computer;
  - printing of non party political material;
  - postage for non party political material; and
  - information technology services of a non party political nature, for example, website development, maintenance, surveys.
- 11.4 The Communications Allowance is not intended for materials or services that:
- request a vote; and/or
  - request a donation.
- 11.5 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.
- 11.6 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

**12 Revocation of previous determination**

12.1 Determination 2 of 2015 (Members of the ACT Legislative Assembly) and Determination 7 of 2015 (Members of the ACT Legislative Assembly) are revoked.

Anne Cahill Lambert AM  
Chair



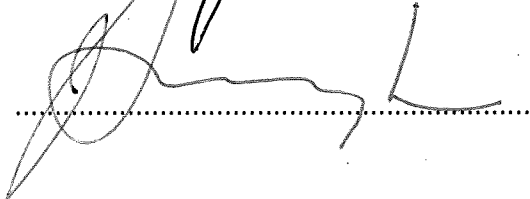
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Dr Colin Adrian  
Member



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James Smythe PSM  
Member



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April 2016