



Australian Capital Territory Remuneration Tribunal

## Members of the ACT Legislative Assembly

### Determination 7 of 2014

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.

The Tribunal's last inquiry into salary, allowances and other entitlements for Members was in April 2013. Following the inquiry, the Tribunal issued Determination 1 of 2013 in May 2013.

The Tribunal released an issues paper in December 2013, calling for submissions at that time and again in January 2014. It inquired into Members' salary, allowances and other entitlements in March 2014. This Determination sets out the Tribunal's decisions following that inquiry. In addition the Tribunal has released a report on its review of entitlements.

### **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 was most interested in:

- work value;
- base salary;
- loading for officeholders;
- resettlement allowance;
- communication allowance;
- motor vehicle entitlements;
- travelling allowance;
- study and accompanied travel allowance;
- national economic indicators, in particular the Labour Price Index, Average Weekly Earnings and the Consumer Price index; and
- oral and written submissions received in relation to the remuneration of Members of the Legislative Assembly.

Having balanced these considerations the Tribunal decided to make changes to salary, allowances or other entitlements for Members as itemised in Determination 1 of 2014 and Determination 7 of 2014. The key changes are:

- an increase to the base rate of Members' salary by 6%;
- reduction in the loading paid to the Deputy Leader of the Opposition when the current holder of that position changes or at the commencement of the Ninth Assembly, whichever occurs first;
- introduction of a resettlement allowance;
- streamlining of travelling allowances payable, in line with determinations published from time to time by the Australian Taxation Office;

- abolition of accompanied travel for Executive Members, effective from 3 April 2014 (Determination 1/2014 refers) with the exception of travel that was already approved before Determination 1/2014 was published;
- abolition of study and accompanied travel allowances for non-Executive Members, effective from 3 April 2014 (Determination 1/2014 refers) with the exception of travel that was already approved before Determination 1/2014 was published;
- removal of the direct provision of a privately plated motor vehicle, while maintaining an allowance of \$21,500 per annum for such provision;
- introduction of a taxi/hire car allowance of \$2,500 for all Members to ensure that the safety of Members is not compromised;
- introduction of a communication allowance of \$15,000 per annum for all Members (dependent on the abolition of the Discretionary Office Allowance managed by the Office of the Legislative Assembly and abolition of postage allowance of \$1,080 provided to Executive Members);
- abolition of the mobile phone/personal digital assistant allowance of \$4,000 per annum for non-Executive Members.

The Tribunal is mindful that these include some major changes. It is noted, however, that Determination 1/2014 is applicable from 3 April 2014, and that this Determination will be applicable from 1 July 2014, usually for a twelve-month period. If the Tribunal finds that there are unintended consequences, it will consider issuing a new Determination as necessary.

ACT Remuneration Tribunal

April 2014



# Members of the ACT Legislative Assembly

## Determination 7 of 2014

made under the

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

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### 1 Commencement

1.1 This instrument commences on 1 July 2014.

### 2 Base salary

2.1 The base salary for Members of the Legislative Assembly (**Member**) is \$132,775 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	\$146,053	110%
Deputy Chief Minister	\$106,220	80%
Minister	\$92,943	70%
Presiding Officer	\$73,026	55%
Leader of the Opposition	\$92,943	70%
Deputy Leader of the Opposition	\$19,916	15%*

Column 1 <b>Office</b>	Column 2 <b>additional salary</b>	Column 3 <b>% base salary</b>
Deputy Presiding Officer	\$19,916	15%
Government Whip	\$13,278	10%
Opposition Whip	\$13,278	10%
Presiding Member of a committee that is concerned with public affairs rather than affairs of the Legislative Assembly	\$13,278	10%

*\*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 base salary.*

#### **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 Australian Taxation Office Taxation Determination relating to reasonable travel and overtime meal allowance expense amounts for each income year,<sup>1</sup> 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

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<sup>1</sup> i.e. the Taxation Determination that supersedes Taxation Determination TD 2013/16 *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2013-14 income year?*

- 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, meals, incidentals and travel expenses up to the amounts set out in the relevant Australian Taxation Office Taxation Determination<sup>2</sup>; and
- b) be provided a cash advance for anticipated costs for accommodation, meals, incidentals and travel costs.

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<sup>2</sup> i.e. the Taxation Determination that supersedes Taxation Determination TD 2013/16 *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2013-14 income year?*

7.2 If a Member is provided a cash advance they must acquit the advance by providing evidence of expenditure 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 The Chief Minister may provide guidelines about the administration of this entitlement for Executive members.

8.3 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

## **9 Motor vehicle**

9.1 All Members are entitled:

- a) to an allowance of \$21,500 per annum (a privately plated motor vehicle will no longer be offered as an option);
- b) to 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.

9.2 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.

9.3 The allowance at 9.1(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.

9.4 The Chief Minister may provide guidelines about the administration of this entitlement for Executive members.

9.5 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

## **10 Communications Allowance**

10.1 Upon the abolition of the Discretionary Office Allowance that has been administered by the Office of the Legislative Assembly, the abolition of the mobile phone/personal digital assistant allowance of \$4,000 per annum for non-Executive Members and the

abolition of the postage allowance of \$1,080 for Executive Members; all Members are entitled to an allowance of \$15,000 per annum.

10.2 The allowance is to be paid in fortnightly instalments.

10.3 Items that can be purchased through this allowance include:

- Mobile telephone.
- Computer tablet.
- Laptop computer.
- Printing of non political material.
- Postage for non political material.
- Information technology services of a non political nature, for example, website development, maintenance, surveys.

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 2013 (Members of the ACT Legislative Assembly) is revoked.

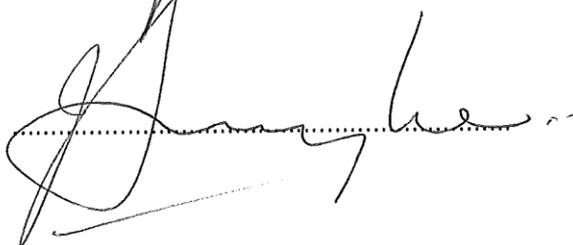
Anne Cahill Lambert AM  
Chair



Colin Adrian  
Member



James Smythe  
Member



30 April 2014