



REMUNERATION TRIBUNAL

Statement on 2000 review of travel provisions and rates

26 July 2000

This Statement provides advice on the outcome of a review of travelling allowance provisions and rates as required under sub-sections 7(3) and 7(4) of the *Remuneration Tribunal Act 1973*. The Statement relates to Remuneration Tribunal Determinations 2000/06 and 2000/07.

General

The Remuneration Tribunal last reviewed travel arrangements in late 1998. As in previous years, the review has been based on an extensive sampling exercise of accommodation providers across Australia. In broad terms, the review has resulted in adjustments to travelling allowance for all offices in the Tribunal's jurisdiction of up to 5% to reflect movements in the market.

In drafting the new travel provisions, the Tribunal has continued its policy of developing determinations that are written in plain English and are based on principles of common sense and equity.

In accordance with the Tribunal's policy on greater consistency between the various parts of its jurisdiction, the vast majority of new travel provisions are the same for Judges and related offices, full-time & part-time holders of public office and Principal Executive Offices. Also for greater consistency and administrative ease, travelling allowance rates have been consolidated into three "tiers". To the greatest extent practical, these new provisions have been aligned with those in place for Federal Parliamentarians.

Consistent with its policy of no office holders gaining or losing financially from travelling on official business, the Tribunal has refined its arrangements for the payment of travelling allowance rates in different locations across Australia. This will result in office holders receiving rates of accommodation allowance that reflect more closely the actual cost to be incurred. The Tribunal has also introduced new arrangements applying to office holders when staying in non-commercial accommodation.

The Tribunal considered the Part Day Travelling Allowance provision contained in its determinations and has found that its continuation is no longer justified.

For the first time, the Tribunal has adopted the reasonable travel rates for overseas travel and domestic self-drive vehicles that are issued by the Australian Tax Office (ATO) and applicable to all Australians. The Tribunal's domestic travelling allowance rates are also consistent with those issued by the ATO.

The Tribunal has taken this opportunity to make explicit reference to a number of travel provisions that in the past were confused.

Sydney 2000 Olympic Games and Paralympic Games

The Tribunal has considered the impact that the Games will have on allowances determined by the Tribunal. In doing so it considered adjusting rates to reflect increased accommodation costs in Sydney and its environs. The Tribunal has found, however, that the existing provisions relating to accommodation costs being met by the Commonwealth are adequate.

Recognising that hospitality packages may be offered to Senators and Members during the course of the Olympics, the Tribunal has put in place arrangements that will preclude the acceptance of any travelling allowance where such hospitality is accepted.

Ministerial Travel

Under the travelling allowance arrangements contained in Determination 1998/08 *"Members of Parliament – Travelling allowance"*, there is no provision for the Commonwealth to meet the cost of a Minister's accommodation where those costs exceed the amount provided in her or his travelling allowance. This provision exists in relation to other public office holders who represent the Commonwealth on official business.

In order to address this anomaly and to align the position of Ministers with other holders of public office, the Tribunal has amended Determination 1998/08 to provide, in exceptional circumstances, for the Commonwealth to meet the costs of a minister's accommodation.

Normal procurement accountabilities are expected and any decision to apply these new provisions should be taken in consultation with the Commonwealth entity meeting the accommodation costs.

The Tribunal does not see a compelling case to extend these provisions beyond Ministers to other Senators or Members.

Future directions

In conducting its review of travelling allowance, the Tribunal has been mindful of the Government's program of tax reform. Consultations with the public and private sector indicate a general acceptance that tax reform will impact travel costs. The magnitude is, at this time, less certain. An initial survey of projected price movements has revealed some inconsistencies that lend support to the Tribunal's view that there is a need to continue monitoring the adequacy of travelling allowances with a view to adjusting rates further if necessary.

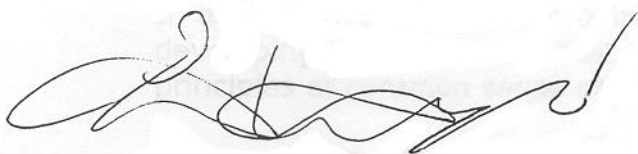
The Tribunal is aware of the potential benefits to departments and agencies of moving to a travel cost reimbursement system and notes that a number are already operating on such a system. Legal advice taken in respect of the matter suggests that the application of a reimbursement system to offices in the Tribunal's jurisdiction would be problematic. That said, should the need arise, the Tribunal will examine this matter further.

Acknowledgment

The Tribunal would like to acknowledge the assistance of the Australian accommodation industry, the Department of Employment, Workplace Relations and Small Business, the Department of Industry Science and Resources, the Australian Tax Office, the Department of Finance and Administration, the Department of the Treasury, the Sydney Organising Committee for the Olympic Games and the Australian Bureau of Statistics.

More information

Determinations 2000/06 and 2000/07 will be tabled in Parliament as required by sub-section 7(7) of the *Remuneration Tribunal Act 1973*. They will also be made available on the Tribunal's website www.dofa.gov.au/remtribunal as soon as possible.

A handwritten signature in black ink, appearing to read 'Richard G Humphry', is centered on the page. The signature is fluid and cursive, with a prominent initial 'R' and a long, sweeping tail.

Richard G Humphry
President