



## REMUNERATION TRIBUNAL

### *Determination 2016/04*

### *Members of Parliament – Entitlements*

## REASONS FOR DETERMINATION

### **Legislative Framework**

Section 7A of the *Remuneration Tribunal Act 1973* (the Act) requires the Tribunal to notify its reasons for each determination made in relation to members of the Parliament of Australia to the Minister and to publish those reasons on the Tribunal's website.

### **What *Determination 2016/04* Does**

*Determination 2016/04* amends Principal Determination *2012/04: Members of Parliament – Entitlements*. This Determination sets out various entitlements for members of parliament (MPs).

The Determination replaces the current references to the application of Australian Public Service (private vehicle allowance) rates with a single private vehicle allowance rate of 66 cents per kilometre, with effect from 1 July 2016.

### **The Tribunal's Reasons**

Following the 2015 Federal Budget, the government announced its intention to change the methods by which individuals can claim motor vehicle expenses in their tax return. The change included the replacement of the three rates available under the cents per kilometre method with a single rate of 66 cents.

The Tribunal highlighted these potential changes in a statement on 26 June 2015 noting that individuals entitled to receive motor vehicle allowance at rates higher than that prescribed by the Australian Taxation Office (ATO) will need to have regard to this when completing their tax returns. The Tribunal also noted that paying authorities should have regard to ATO advice on tax withholding obligations.

The *Tax and Superannuation Laws Amendment (2015 Measures No. 5) Act 2015* received royal assent in November 2015 enabling these changes to come into effect from 1 July 2015.

The Tribunal issued a further statement on 29 February 2016 noting its decision to amend the private vehicle allowance rate from 1 July 2016. The statement reminded office holders and paying authorities to have regard to ATO advice about taxation obligations during 2015/16 where rates above 66 cents per kilometre have been paid.

The Tribunal's determination is available on its website - <http://www.remtribunal.gov.au/>.