



Remuneration Tribunal

Determination 2014/16 ***Members of Parliament – Travelling Allowance***

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 2014/16* Does

Determination 2014/16 replaces previous Principal *Determination 2013/17: Members of Parliament – Travelling Allowance* with effect on and from Sunday, 31 August 2014.

The *Determination* sets out domestic travelling allowances payable to members of the Parliament and Ministers of State. It also sets out conditions of payment and other related matters.

The Tribunal's Reasons

The Tribunal updates the travelling allowance rates for offices within its jurisdiction, including parliamentarians, on an annual basis. The new rates for the various locations specified in the *Determination* reflect those set each year by the Australian Taxation Office (ATO) as reasonable travel expense amounts, with a small number of exceptions detailed below.

This year, the ATO rates are included in *Taxation Determination 2014/19: Income Tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2014-15 income year?*

The Tribunal sets the Canberra rate for parliamentarians at considerably less than the ATO's reasonable expense amounts rates for Canberra. Nevertheless, the Tribunal takes into account increases in the ATO rates, which reflect increases in costs in Canberra, in determining its own Canberra rate. The rate the Tribunal is determining this year, \$271, represents a small increase.

The Tribunal has also adjusted the daily expense allowance for parliamentarians from the Australian Capital Territory (and those from adjoining electorates who live within 30 kilometres of Parliament House). This has been increased by the same percentage as the increase to the non-resident Canberra rate, and is now \$85.

Ministers and specified Parliamentary office holders (other than the Prime Minister) also receive a daily expense allowance in certain exceptional circumstances, based on the ATO rate for food, drink and incidentals for the highest paid employees. In the ATO Determination, this amount is \$170 (rounded up), and accordingly, the Tribunal has set the allowance in its Determination at \$170.

The Prime Minister's rate for accommodation and sustenance for each overnight stay in a place other than an official establishment or the Prime Minister's home base will be set at \$560. This is a small increase, which the Tribunal bases on the average adjustments in ATO reasonable expense amounts for the eight capital cities.

Finally, some obsolete provisions have not been included in the new Determination. These concern electorate travel taken in accordance with the supplementary provisions in Regulation 3EA of the Parliamentary Entitlements Regulations 1997.

The Tribunal's determinations and reports are available on its website - <http://www.remtribunal.gov.au/>.

Remuneration Tribunal
7th August 2014