



Remuneration Tribunal

Determination 2014/02

Members of Parliament – Travelling Allowance and 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 2014/02* Does

Determination 2014/02 amends *Principal Determinations 2012/04: Members of Parliament – Entitlements* and *2013/17: Members of Parliament – Travelling Allowance*. These Determinations set out various entitlements for members of the Parliament as well as travelling allowances payable within Australia, and the conditions for when those travelling allowances are payable.

The amendments:

1. increase the number of nights for which a Member of an electorate between 100,000 sq km and 999,999 sq km in size can claim travelling allowance for travel within his or her electorate;
2. increase the amount that the Members of the very largest electorates can spend on charter transport;
3. specify that all members from Western Australia and Northern Territory, including Ministers and office holders, who wish to claim travelling allowance when they break a journey during travel to Canberra, must certify that the break in journey was caused by there being no same day connecting flight;
4. introduce a similar provision for family reunion travel, where stopovers are now only available where there is no same day connecting flight;
5. specify that persons travelling to join or accompany a member or senator under family reunion travel provisions must now arrive no more than 24 hours before the senator or member, and must now depart no more than 24 hours after the senator or member; and
6. remove the provision whereby the Second Deputy Speaker in the House of Representatives could claim travelling allowance for travel connected with his or her office.

The Tribunal's Reasons

On 9 November 2013, Senator the Hon Michael Ronaldson, Special Minister of State, announced that the Government was acting to strengthen the rules governing parliamentarians' business expenses.

He also noted that, as part of this process, the Government would ask the Tribunal to review a number of travel-related parliamentary entitlements, some of which follow up on changes recommended by the 2009 Committee for the Review of Parliamentary Entitlements.

The Tribunal has agreed to a number of changes suggested by Minister Ronaldson. These changes represent points 3 to 6 inclusive in the preceding list. The purpose of the changes at points 3 to 5 is to ensure that the previously determined provisions are used in the way which provides best value for the Australian taxpayer, by ensuring, for instance, that parliamentarians or their family members only use 'breaking journey' provisions when there is no real alternative.

With respect to the entitlement to travel allowance for travel connected solely with the duties of the office of second deputy speaker, the Tribunal has noted advice that this entitlement has seldom been used. This is not surprising as it is considered that travel associated with this role would normally be to Canberra for parliamentary sittings, and all federal parliamentarians already have a travelling allowance entitlement for this travel.

In addition, any travel undertaken by the second deputy speaker when acting as speaker is covered under a separate provision in *Determination 2013/17* (under clause 3.12(c)).

The adjustments listed at points 1 and 2 in the preceding list are adjustments made by the Tribunal in recognition of the difficult task facing local members in Australia's larger rural and regional electorates. The Tribunal has commented before on one practical effect of the one vote-one value precept behind Australia's electoral laws. As House of Representatives electorates are of approximate size by population, this logically means that electorates vary greatly in geographical size depending on population density.

Each of the six largest Australian electorates is bigger than any country in Western Europe, and yet each is served by a single member of the House of Representatives. Certainly population densities can be sparse, but each elector in these electorates has a right to some access to their local member, as do electors in other electorates. This can make the task of a local member an onerous one, involving a great deal of travel, apart from the travel involved in attending sittings of Parliament.

The Tribunal has for many years set funding for members to utilise charter transport, which is primarily used in the largest electorates to charter aircraft to allow members to visit parts of their electorate which would otherwise be inaccessible or difficult to access. Over the past few years, members have demonstrated to the Tribunal that the cost of charter transport is continually increasing, reducing their capacity to access those in remote locations within their electorates.

The major factor in this increase in costs is that there are now less providers in the sector and more competition from private sector employers for such services. One effect of this is that frequently members now have to charter aircraft that are based further away, with a consequent increase to costs for individual trips. These issues appear to affect more remote areas to a greater extent than less remote ones, which is why the Tribunal has only adjusted the 'allowance' for the largest electorates.

The Tribunal notes that 'charter allowance' is not an allowance in the traditional sense. It is not money paid to the member – rather it is a budget that the member can draw on for costs incurred on specific items. The increase determined by the Tribunal is not intended to give the opportunity to a member to travel more widely than they could some years ago – rather the increase recognises the increased cost of a similar level of travel.

The Tribunal has also increased the number of nights that a member can claim travelling allowance for travel within his or her electorate, for members of electorates between 100,000 and 999,999 square kilometres (there are eight such electorates). The necessity for travel for members of such electorates varies widely, depending on circumstances such as the number of population centres in an electorate and the home base of the current member.

Travel to various parts of these electorates however frequently involves long driving hours, and it would be unreasonable, particularly in regard to health and safety, and from time management perspectives, to expect members to return to their home base on the same day. Thus a certain level of access to travelling allowance is provided.

The Tribunal accepted information provided to it that the current maximum amount was insufficient in some circumstances. The Tribunal decided to increase the maximum number of nights' travelling allowance that could be claimed for in electorate travel for members of these large electorates. Again this does not provide a personal benefit to a particular member and is unlikely to have major cost implications for the Commonwealth as not all members of this group of electorates were using the maximum amount previously determined. There is no reason to think that this decision would increase their level of travel.

However, the decision is framed in this way as the Tribunal sets limits for members of electorates, whoever they are, rather than setting individual entitlements for specified members. Tribunal's determinations and reports are available on its website - <http://www.remtribunal.gov.au/>.

Remuneration Tribunal
24th February 2014