



## Remuneration Tribunal

### Members of Parliament Charter and Resettlement Allowances

#### REASONS FOR DETERMINATION

##### Legislative Framework

Section 7A of the *Remuneration Tribunal Act 1973* (the Act), which was inserted by the *Remuneration and Other Legislation Amendment Act 2011*, requires the Tribunal to ensure that reasons for each determination made under subsections 7(1), 7(1A) or 7(2) of the Act are published on the Tribunal's website and notified to the Minister. Section 7A also applies to determinations made under subsection 7(4) of the Act on a matter that is, or is considered by the Tribunal or the Minister to be, significantly related to a matter referred to in subsection 7(1) or 7(2).

##### Determination of Charter and Resettlement Allowances

Under subsection 7(4) of the *Remuneration Tribunal Act 1973*, the Tribunal has amended *Determination 2006/18: Members of Parliament – Entitlements*, via *Determination 2011/20*, to make changes to the charter and resettlement allowances applying to current and former parliamentarians.

The charter allowance entitlement enables eligible senators and members to meet the cost of charter aircraft and other reasonable modes of transport when travelling within and for the service of their electorate. The parliamentarian can incur costs, within a set maximum per annum (based on the size of their State/Territory/electorate), with the expenses then paid by the Commonwealth. It should be noted that charter allowance cannot be converted to remuneration.

To reflect changes in transportation costs since the last adjustments to charter allowance were made in 2006, the Tribunal has decided to increase the maximum amounts available. In addition, the Tribunal will consider making annual adjustments to the allowance, based on movements in the Transportation figure in the Consumer Price Index Movements summary published by the Australian Bureau of Statistics.

The Tribunal has also decided to vary the resettlement allowance applying to senators and members retiring involuntarily from the Parliament (normally through an election loss).

The Tribunal notes that the 2010 *Report of the Committee for the Review of Parliamentary Entitlements* recommended an enhanced resettlement allowance from the basic 12 weeks base salary. The Tribunal, having considered the matter again in the light of the Committee's analyses, conclusions and recommendations, decided that the previous single level of

allowance was inadequate and was inconsistent with outside employment standards, representing a relatively small amount for parliamentarians who have served more than one term in the Parliament (which in normal election cycles means six years or more).

Consequently, the Tribunal has determined a two tiered approach – a payment equivalent to three months' base salary (regardless of whether or not the individual also had additional salary prior to departure) for single term parliamentarians, and a payment equivalent to six months' base salary for a parliamentarian who has served for more than one term.

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

## **Remuneration Tribunal**

17th October 2011