



Remuneration Tribunal

Remuneration Tribunal Statement on Electorate Allowance

Federal parliamentarians (both Senators and Members of the House of Representatives) have been in receipt of an electorate allowance since 1952.

The purpose of the allowance is to provide funding to members to cover a range of expenses involved in servicing their electorates. The allowance comprises a base amount plus supplementary amounts for those Members whose electorates exceed 2000 square kilometres in size. At the end of each financial year any part of the allowance which is not expended on genuine electorate expenses to the satisfaction of the Australian Tax Office is regarded as personal income and taxed accordingly. Rates of similar allowances available to members of parliaments and assemblies around Australia vary widely.

The allowance enables members to make modest provision for expenditure at their discretion to address differing needs in their respective electorates. Previous reviews have noted that members spend the allowance in widely varying ways in servicing their electorates.

The Remuneration Tribunal determines the amount of the allowance. There is no automatic mechanism for adjusting it each year and the Tribunal has not varied the amount since January 2000. The Consumer Price Index has since increased by more than 30 per cent; that is, more than 3 per cent annually. This means that the value of the allowance is now over 20 per cent less, in real terms, than it was in 2000.

The Tribunal has no doubt that the costs of meeting the commitments to which members direct their allowance have increased over the same period. Accordingly the Tribunal has decided to lift the basic allowance to \$32,000 per annum, an increase of \$4,700. While this is equivalent to a cumulative increase of some 2 per cent per annum since 2000, it still represents a reduction in real terms.

Remuneration Tribunal
24 April 2009