



Remuneration Tribunal

Determination 2016/08 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.

An Independent Parliamentary Entitlements System – Review (the Review)

While the focus of this decision is the annual review of travelling allowance rates, this is occurring against a backdrop of the Tribunal's considerations of the recommendations from the Review. Implementation of those recommendations, accepted in principle by the Government, will have ramifications for the Tribunal's travelling allowance determination.

The Tribunal is working with the Department of Finance on implementing the Review recommendations which will involve a fundamental shift from the current system to one that is underpinned by a set of principles to guide parliamentarians' decision-making on work expenses. This will include an overarching 'value-for-money' principle that the work expense would represent an efficient, effective and ethical use of public resources.

Another core element of the system will be the adoption of an inclusive definition of 'parliamentary business' as a purpose-based eligibility requirement for all work expenses (see Attachment).

What *Determination 2016/08* Does

Determination 2016/08 replaces previous Principal *Determination 2015/12: Members of Parliament – Travelling Allowance* with effect on and from 28 August 2016.

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 most rates have increased slightly while a few have decreased. The ATO rates are included in *Taxation Determination 2016/13: Income Tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2016-17 income year?*

The Tribunal sets the Canberra rate for parliamentarians at a rate that is discounted by over a third when compared to the ATO's reasonable daily travel allowance expenses for Canberra, currently \$376.85 or \$422.55. 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, \$276, represents a small increase from the previous rate of \$273.

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, from \$86 to \$87.

Ministers and specified Parliamentary office holders (other than the Prime Minister) are, in exceptional circumstances where the Commonwealth has paid the accommodation costs, entitled to an allowance for meals and incidental costs up to a limit of \$173 per day. This limit which is based on the ATO rate for food, drink and incidentals for the highest paid employees has increased to \$177 per day.

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 a limit of \$565. This is a small increase from the previous limit of \$564, which the Tribunal bases on the average adjustments in ATO reasonable expense amounts for the eight capital cities.

For the reasons set out in the Review Report, the Tribunal has decided to implement recommendation ten and abolish the \$10 additional travelling allowance payment for travelling Ministers and office holders accompanied by their spouses.

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

Remuneration Tribunal

2nd August 2016

Attachment – Extract (pages 51-52) from the February 2016 report [An Independent Parliamentary Entitlements System – Review](#)

Extract¹ from the February 2016 report *An Independent Parliamentary Entitlements System – Review*

Core elements of the definition

'**Parliamentary business**' includes, but is not limited to, activities carried out by a parliamentarian for the dominant purpose of performing duties of the following kind:

1. Parliamentary duties – activities directly related to the parliamentarian's membership of the Parliament, and his or her participation in current or future proceedings in the Parliament, such as:

- a. attending or participating in, or preparing to attend or participate in, sittings of the House of Parliament of which the person is a member; and
- b. attending or participating in, or preparing to attend or participate in, meetings or other business of a parliamentary committee of which the parliamentarian is a member.

2. Official duties of parliamentarians, ministers and parliamentary office holders – activities undertaken by a parliamentarian, minister or parliamentary office holder in, and by reason of, that capacity, which do not relate directly to proceedings in the Parliament, such as:

- a. attending an official government, parliamentary or vice-regal event, function or meeting;
- b. attending another event, function or meeting to which a parliamentarian is invited, or attends, in his or her capacity as a member of the Parliament (or in his or her capacity as a minister or parliamentary office holder); or
- c. attending an event, function or meeting as a representative of a minister or parliamentary office holder (provided that the minister or parliamentary office holder has made, or approved the making of, a request to provide representation, and the request is made in writing, or a written record is made of an oral request).

3. Electorate duties – activities undertaken by a parliamentarian in support of, in service to, or out of duty to the parliamentarian's constituents, such as:

- a. participating in public debate, or attending meetings, functions or events, relating to matters of importance or interest to constituents (including matters that do not relate exclusively to the parliamentarian's constituents, such as matters of national importance);
- b. communicating with constituents; and
- c. representing the views or interests of constituents.

¹ Pages 51 & 52 of the Review report

4. Party political duties — participation by a parliamentarian in the activities of the political party of which he or she is a member, where the activity has a direct and substantial connection to the parliamentarian's membership of the Parliament, and the parliamentarian participates in the activity in, and by reason of, his or her capacity as a parliamentarian, such as:

- a. attending formal meetings of a political party of which the parliamentarian is a member (including meetings of the party executive or subcommittees); and
- b. attending the following conferences of a political party of which the parliamentarian is a member:
 - i. a national party conference;
 - ii. a state or territory party conference of the state or territory in which the parliamentarian's electorate is located; and
 - iii. a state or territory conference other than that of the state or territory in which the parliamentarian's electorate is located, if the parliamentarian is a minister, parliamentary office holder or a member of a parliamentary committee and is attending the conference in, and by reason of, that capacity.

'Parliamentary business' does not include activities which are undertaken, or could reasonably be considered to be undertaken, for the dominant purpose of one of the following:

1. administration or management of a political party, such as managing the party's membership (including preselection), its funds (including fundraising), its property or its compliance with applicable legal and regulatory requirements;
2. providing personal benefit to the parliamentarian or another person; or
3. pursuing the commercial interests of the parliamentarian or another person.