

Australian Capital Territory Remuneration Tribunal

Determination 6 of 2022

Members of the ACT Legislative Assembly

made under the
Remuneration Tribunal Act 1995, section 9 (Inquiries about members of Legislative Assembly)

ACCOMPANYING STATEMENT

Background

Under section 10 of the *Remuneration Tribunal Act 1995* (the Act), the Remuneration Tribunal (the Tribunal) is required to inquire into, and determine, the remuneration, allowances and other entitlements for:

- The Chief Minister;
- The Deputy Chief Minister;
- Other Ministers; and
- Members of the Legislative Assembly (Members) other than Ministers, including the Presiding Officer (known as the Speaker).

Section 9 of the Act, read in conjunction with section 73 of the *Australian Capital Territory (Self-Government) Act 1988 (Commonwealth)*, requires the Tribunal to determine the salary and allowances for the:

- Leader of the Opposition;
- Deputy Leader of the Opposition;
- Government Whip;
- Opposition Whip; and
- Presiding member of a committee of the Legislative Assembly.

Considerations

In May 2022, the Tribunal commenced its Autumn Sitting to consider the remuneration, allowances and other entitlements of the following office-holders:

- Members of the Legislative Assembly (including the Chief Minister, Deputy Chief Minister, and other Ministers and Members of the Legislative Assembly holding particular offices);

- the Head of Service, Directors-General and ACT Public Service Executives; and
- Full-time Statutory Office-Holders, referred to in Section 10(1) of the *Remuneration Tribunal Act 1995*, including the Clerk of the Legislative Assembly, the Auditor-General and Electoral Commissioner.

The Tribunal advertised its Autumn Sitting on its website and in the Canberra Times on 17 March 2022. The Tribunal also wrote to the relevant office-holders requesting submissions.

At its meeting in May 2022, the Tribunal met with the Chief Minister, ACT Government Treasury officials and officials responsible for the Enterprise Agreement bargaining for ACT Public Sector non-executive employees. The Tribunal also met with a number of full-time public office-holders and departmental officials.

The briefings provided to the Tribunal by ACT Treasury officials outlined the resilient nature of the Territory's economy. ACT Treasury reported that the Territory had transitioned out of the potential economic crisis brought on by the Covid health emergency, with the Territory now experiencing a tight labour market and wages growth.

In its deliberations, the Tribunal gave considerable weight to community standards and expectations, with particular reference to the COVID-19 economic recovery, national and local inflation reporting and wage price index reporting.

The Tribunal also considered the importance of the Territory providing competitive and equitable remuneration, allowances and other entitlements so that it can continue to attract and retain high calibre individuals to represent the ACT community. In this context, the Tribunal noted the wage policies and recent remuneration determinations by its Commonwealth and State/Territory counterparts.

The Tribunal had regard to the 2021–22 ACT Budget, released in October 2021 by the Chief Minister, which predicted growth in 2022–23 of 2.0 per cent in WPI and 1.75 per cent in CPI.¹

The Australian Bureau of Statistics released the Consumer Price Index for the March Quarter on 27 April 2022, which included an increase of 2.2 per cent for the ACT during the March quarter, with a 5.4 per cent increase over the year (March 2021 to March 2022).² Notwithstanding this, the Tribunal notes the national trimmed mean inflation was 3.7 per cent over the year.³

The Tribunal considered the statements that the Governor of the Reserve Bank of Australia made on 3 May 2022, and noted his views concerning the declining consumer purchasing power from higher inflation. In a tight labour market, an increasing number of firms are paying higher wages to attract and retain staff, especially in an environment where the cost of living is rising. The Tribunal also continued to be aware of the future compounding effect

¹ [ACT Budget 2021-2022 Budget Outlook, Chapter 2 Economic Outlook](#), page 32.

² ACT Treasury, 27 April 2022, CPI – March Quarter 2022
https://www.treasury.act.gov.au/data/assets/pdf_file/0009/399978/CPI.pdf recache

³ Australian Bureau of Statistics Release 27 April 2022 <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

of not providing an increase to remuneration and agreed this should be avoided where possible.

In its 15 June 2022 decision of the Annual Wage Review 2021-22, the Fair Work Commission found that the most significant changes since its previous Review were the sharp rise in the cost of living and the strengthening of the labour market. The Fair Work Commission increased the National Minimum Wage by \$40 per week (which amounted to an increase of 5.2%). The Decision also increased minimum award rates by 4.6%, with a \$40 per week minimum increase applying.

The Government had previously requested the Tribunal consider the motor vehicle allowance that was introduced in 2014, which has not been adjusted since 2015.

Decision

The Tribunal acknowledges that there continues to be uncertainty due to the ongoing and accelerating transmission of COVID-19. However, having regard to the prevailing economic circumstances, the Tribunal believes that it would be prudent to increase the remuneration of the office-holders covered by this Determination.

In Determination 1 of 2021, the Tribunal took a decision to determine no increases to allowances and other entitlements for Members of the Legislative Assembly. Following comparison with other similar jurisdictions, the Tribunal noted the current MLA vehicle allowance continues to be appropriate. However, the Tribunal discussed the costs of taxi and hire cars having likely increased since 2015 and, for this reason, the Tribunal has decided to increase the taxi/hire car allowance to \$3,000. No changes have been made to other allowances.

For the reasons outlined above, the Tribunal has decided to provide an increase of 3.25 per cent to the remuneration of office-holders covered by this Determination. The increase is taken to have commenced on 1 July 2022.

July 2022



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1 Commencement

1.1 The instrument is taken to have commenced on 1 July 2022.

2 Base remuneration

- The base remuneration for Members of the Legislative Assembly (**Member**) is \$177,100 per annum.

3 Additional annual salary

3.1 A person holding an office mentioned in Column 1 of Table 3.1 is entitled to the additional remuneration mentioned in Column 2 of Table 3.1.

TABLE 3.1

Column 1 Office	Column 2 Additional remuneration above the rate set out in clause 2.1	Column 3 % base remuneration	Column 4 Total remuneration
Chief Minister	\$194,810	(110%)	\$371,910
Deputy Chief Minister	\$141,680	(80%)	\$318,780
Minister	\$123,970	(70%)	\$301,070
Presiding Officer	\$97,405	(55%)	\$274,505
Leader of the Opposition	\$123,970	(70%)	\$301,070

Column 1 Office	Column 2 Additional remuneration above the rate set out in clause 2.1	Column 3 % base remuneration	Column 4 Total remuneration
Deputy Leader of the Opposition	\$35,420	(20%)	\$212,520
Deputy Presiding Officer	\$26,565	(15%)	\$203,665
Government Whip	\$17,710	(10%)	\$194,810
Opposition Whip	\$17,710	(10%)	\$194,810
Whip in the Legislative Assembly of a registered party (other than the party to which the Chief Minister or Leader of the Opposition belongs) if at least 4 members of the Legislative Assembly are members of the party	\$17,710	(10%)	\$194,810
Presiding member of a committee concerned with public affairs rather than affairs of the Legislative Assembly	\$17,710	(10%)	\$194,810

4 Salary packaging

- 4.1 A Member may elect to take their base salary and/or their additional annual salary as:
 - a) salary; or
 - b) a combination of salary and other benefits (a **salary package**).
- 4.2 Salary packaging must be consistent with taxation laws and guidelines issued by the Australian Taxation Office.
- 4.3 Up to 100% of remuneration can be taken as benefits and related costs such as fringe benefits tax.
- 4.4 Salary packaging must be administered without additional cost to the ACT Government and any fringe benefits tax associated with the provision of a benefit must be included in the salary package.
- 4.5 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.

- 4.6 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

5 Resettlement Allowance

- 5.1 All Members are entitled to payment of two weeks' salary for every completed year of service plus a pro rata payment for completed months of service since the last completed year of continuous service, capped at a maximum of twelve weeks' salary, if they retire, resign or stand for re-election and are unsuccessful.
- 5.2 The rate of pay of resettlement allowance will be calculated at the base rate of a Member, viz., without any extra loadings for office holders.

6 Travelling allowance—within Australia

- 6.1 In this clause:

Assembly business means travel as part of service on an Assembly committee; travel as a representative of the Assembly branch of the Commonwealth Parliamentary Association or as an office holder of the Association; or travel as a representative of the Assembly as determined by the Speaker. It does not include travel for party political purposes.

commercial accommodation includes a hotel, motel or serviced apartment.

office holder means the Chief Minister, Deputy Chief Minister, Minister or Presiding Officer, except where that term is used in the definition of Assembly business to refer to travel as an office holder of the Commonwealth Parliamentary Association.

- 6.2 Travelling allowance covers the reasonable cost for travel outside of Canberra and is payable at the rates that correspond with the amounts set out in the relevant Australian Taxation Office Taxation Determination relating to reasonable travel and overtime meal allowance expense amounts for each income year, for:
- a) accommodation; and
 - b) meals; and
 - c) incidental expenses.
- 6.3 Travelling allowance is payable if a Member must stay overnight:
- a) on Assembly business; or
 - b) for an office holder — on official business as an office holder; or
 - c) for a Member other than an office holder — on official business on behalf of an office holder.
- 6.4 Travelling allowance is not payable for travel for party political purposes.
- 6.5 An office holder or a Member nominated by the Chief Minister to represent an office holder on official business is entitled to an additional travelling allowance to cover the actual costs of accommodation, meals and incidental expenses up to the value that the office holder would have received, if:

- a) it is appropriate and reasonable for the conduct of the official business for the person to stay in accommodation at the same location where a meeting is held, or nearby to where a meeting is held; or
- b) it is appropriate and reasonable for the conduct of the official business for the person to stay in accommodation with other participants of a meeting; or
- c) the person is required to stay in commercial accommodation nominated by the host jurisdiction or host organisation; or
- d) there are exceptional circumstances.

6.6 If a Member travelling on Assembly or official business does not stay in commercial accommodation, the travelling allowance is a rate of one third of the total daily rate in the relevant Australian Taxation Office Taxation Determination, rounded upwards to the nearest dollar.

7 Travelling allowance—outside Australia

7.1 A Member who travels overseas on office holder or Assembly business may:

- a) be reimbursed the actual, reasonable costs incurred for accommodation and travel expenses up to the amounts as set out in the relevant Australian Taxation Office Taxation Determination;
- b) be provided with a per diem allowance for meals and incidentals as set out in the relevant Australian Taxation Office Taxation Determination; and
- c) be provided a cash advance for anticipated costs for accommodation and travel costs which must be acquitted within eight weeks of returning to Canberra.

8 Class of air travel

8.1 Members are entitled to business class air travel when travelling on Assembly or official business.

8.2 Members are provided with one airline lounge membership of their choice.

8.3 The Chief Minister may provide guidelines about the administration of all travel entitlements for Executive Members contained in this Determination.

8.4 The Presiding Officer may provide guidelines about the administration of all travel entitlements for non-Executive Members contained in this Determination.

9 Incidental travel in conjunction with Official travel

9.1 The Tribunal notes that there is a practice whereby Members travelling on official business have been permitted to include incidental travel in such trips at no additional cost to the Territory.

9.2 For the avoidance of doubt, the Tribunal determines that Members may combine incidental personal travel with official travel, provided there is no additional cost to the Territory. If the period of such incidental travel is greater than 40% of the period of official travel, a pro rata contribution must be made to the overall cost of the travel.

9.3 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.

9.4 The Clerk may provide guidelines about the administration of this entitlement for non-Executive Members as per the *Financial Management Act 1996*.

10 Motor vehicle

10.1 All Members are entitled to:

- a) an allowance of \$25,500 per annum (a privately plated motor vehicle will no longer be offered as an option); and
- b) an allowance of \$3,000 per annum for taxis/hire cars to travel to and from official functions where private transport may not be appropriate in the interests of workplace safety and/or security; and
- c) a car parking space at or near the Legislative Assembly.

10.2 Where a Member already has a vehicle lease in place at the time of this Determination, the lease is able to continue but shall not be renewed.

10.3 The allowance at 10.1(a) is not payable to Members who have leased vehicles at the time of the determination, until any existing vehicle lease has expired, and the vehicle is surrendered.

10.4 The Chief Minister may provide guidelines about the administration of this entitlement for Executive Members.

10.5 The Presiding Officer may provide guidelines about the administration of this entitlement for non-Executive Members.

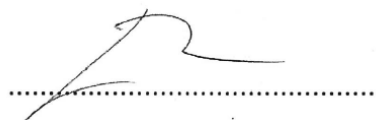
11 Revocation of previous determination

11.1 Determination 14 of 2022 is revoked.

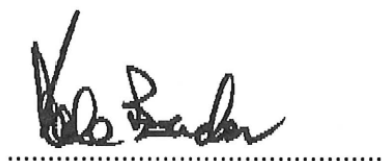
Ms Sandra Lambert AM
Chair

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Dr James Popple
Member

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Mr Dale Boucher PSM
Member

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July 2022