



NORTHERN TERRITORY OF AUSTRALIA

REMUNERATION TRIBUNAL

**REPORT ON THE ENTITLEMENTS OF
ASSEMBLY MEMBERS**

AND

DETERMINATION No. 1 of 2008

REMUNERATION TRIBUNAL REPORT ON THE ENTITLEMENTS OF ASSEMBLY MEMBERS AND DETERMINATION NO. 1 OF 2008

Introduction

1. On 6 September 2006 the Administrator issued a request under section 4(1) of the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act* (the new Act) requiring the Tribunal to, on or before 31 October each year, inquire into and determine the entitlements (other than basic salary) of Assembly members.
2. The resultant report and Determination must be tabled in the Assembly within six sitting days of receipt by the Minister. The Assembly may disallow all or part of the Determination within 10 sitting days of tabling.

Powers of the Tribunal

3. Report and Determination No. 2 of 2007 in respect of Members of the Legislative Assembly canvassed the powers of the Tribunal and with legal advice drew the conclusion that entitlements within the Tribunal's power to determine are:
 - personal costs while travelling;
 - additional salary of office;
 - any new personal allowance; and
 - general matters.

Electorate allowance

4. Determination No. 2 of 2007 provided for an electorate allowance but noted that -

... electorate allowance entitlement for Members is, on the face of it, beyond the power of the Tribunal but it has been determined in any event for reasons described under that heading.

The Solicitor General subsequent to that Determination advised that the Tribunal did have the power to determine electorate allowances.

Conduct of this Inquiry

5. Advertisements were placed in the main Territory newspapers to draw attention to the Inquiry and to request submissions. Individual letters were sent to all Members and to the Department of the Legislative Assembly.

6. The Tribunal received one written submission.
7. The Tribunal had meetings in Darwin during September and October 2008 with the Chief Minister, the Leader of the Opposition, a number of Members and departmental representatives.
8. The Tribunal has carefully considered all representations and advice it has received.
9. An electorate allowance has previously been determined as payable to each Member following assessment of the costs of servicing their constituents. It has been defined as follows:

'Electorate Allowance' means the allowance payable to a Member to cover the cost of goods and services required to effectively represent the Parliament to his/her constituents and to represent those constituents to the Government and in the Parliament, including the cost of scheduled and charter transport additional to travel entitlements in this Determination.

10. The Administrative Arrangements for the provision of travel, motor vehicle, communications, postage and childcare entitlements for Assembly members dated 29 November 2007 as tabled in the Legislative Assembly by the Chief Minister provides that the cost of postage including courier bags should be met by members from their own funds. The electorate allowance includes an allowance to cover this cost.
11. The Tribunal has established an electorate allowance payable to members of urban electorates and this has been then used as a base figure in determining the allowance for other electorates. An additional amount has been added to the base figure for travel, accommodation and other expenses to enable the servicing of the rural seats. This additional figure is based on the size and the geographic spread of the electors in the electorate and varies for each rural electorate.
12. The "base" or urban electorate allowance has been increased by 7% which takes into account the Consumer Price Index for the period for June 2007 to June 2008 and the average increase in numbers in electorates. The 7% increase also takes into account increased postal costs.
13. The additional amount for rural electorates has been increased by 4.2% to reflect the increase in the Consumer Price Index.
14. Since the last determination there have been significant changes to the boundaries of the rural electorates. It would be difficult for members representing those electorates to quantify with accuracy their likely electorate expenses. The Tribunal before its next determination will comprehensively review the allowance for all seats, particularly rural seats and it is expected that members would make submissions based on actual expenditure.

Additional salary of office

15. The base salary remuneration of members has been set by legislation since 1991 as \$3,000 less than the annual rate of salary for a member of the House of Representatives.
16. The additional salary of office for all office holders has been increased in the attached Determination by 4%. This figure is based on the percentage increase received by Northern Territory public servants between October 2007 and October 2008.
17. A submission was received that proposed that the “Leader of Opposition Business” be paid an additional salary. This was rejected on the basis that this person is not an “office holder” and furthermore there is no precedent for such a payment in other Australian Parliaments.

Resettlement Allowance

18. The resettlement allowance provides money for those who have involuntarily retired from Parliament and do not have access to a pension or superannuation benefit relating to their Assembly service. This amount contemplates that the person may not immediately obtain employment and may require assistance in a number of ways e.g. resume writing, counselling and employment services. It also provides a small financial buffer before employment is obtained.

Rates of Travelling Allowing where Commercial Accommodation is used

19. These rates have been increased in accordance with the amount Australian Government Taxation determines as reasonable travel allowance rounded up to the nearest dollar.
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NORTHERN TERRITORY OF AUSTRALIA REMUNERATION TRIBUNAL

*Assembly Members and Statutory Officers
(Remuneration and Other Entitlements) Act*

DETERMINATION OF ENTITLEMENTS OF ASSEMBLY MEMBERS

Under section 4 of the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*, the Tribunal determines as follows:

1. Definitions

1.1 In this Determination:

'capital city' means locations within a radius of –

- (a) 10 kilometres from the general post office of a capital city; or
- (b) 5 kilometres from the major airport servicing a capital city.

'Chief Executive Officer of DCM' means the person appointed as the Chief Executive Officer of the Department of the Chief Minister.

'Clerk' means the Clerk of the Legislative Assembly.

'commercial accommodation' means accommodation in a commercial establishment such as a hotel, motel or serviced apartment.

'Darwin' means the Total Darwin Statistical Division and the Litchfield Shire Sub-Division as prescribed by the Australian Bureau of Statistics.

'home base', for an Assembly member, means:

- (a) a place of residence of the Assembly member nominated by the member to the Clerk; or
- (b) if the Assembly member has not nominated a place – the principal place of residence of the member.

'office holder' means a minister, the Speaker of the Assembly, the Leader of the Opposition or the Deputy Leader of the Opposition.

'travel cost allowance' is an amount payable to an Assembly member to defray reasonable costs incurred by him or her, during travel at Government expense that includes at least one overnight stay, for one or more of the following:

- (a) accommodation;
- (b) meals;
- (c) incidental expenses;
- (d) hire cars, taxis and ferries;
- (e) use of his or her own car.

'travelling allowance' means an amount payable to an office holder or Assembly member to offset personal costs he or she, or any person authorised to travel as an accompanying person may incur during travel at Government expense.

2. Electorate allowance

- 2.1 An Assembly member is entitled to an electorate allowance, at the annual rate specified in Schedule 3, to cover the expenses he or she incurs, at their sole discretion, in servicing their electorate.
- 2.2 The annual rate of electorate allowance is reduced by \$2,500 where the Assembly member's electorate office is cleaned at Government expense.

3. Travel expenses within Australia

- 3.1 If an Assembly member travels within Australia and the Government does not pay all of his or her accommodation, meal costs and incidental expenses, the Assembly member is entitled to either:
 - (a) travel cost allowance; or
 - (b) travelling allowance.
- 3.2 If clause 3.1 does not apply, but an Assembly member incurs costs for travel within Australia the Assembly member is entitled to travel cost allowance. For establishing the level of the travel cost allowance, the Assembly member shall provide to the Clerk or the Chief Executive Officer of DCM as the case may be depending on the capacity in which the Assembly member undertook the travel, within 60 days of the conclusion of the travel, tax invoices for any accommodation, meals, or transport costs claimed, and substantiation for the cost of any car use claimed.
- 3.3 In assessing, and if necessary adjusting for, the reasonableness of costs claimed, the Clerk or the Chief Executive Officer of DCM as the case may be shall have regard to:
 - (a) the meals and incidentals allowances specified in Part C of Schedule 1;

- (b) the vehicle allowance as determined under section 14(2) of the *Public Sector Employment and Management Act*,
 - (c) the comparative cost of other available forms of transport; and
 - (d) any form of Government contribution received by the Assembly member.
- 3.4 An Assembly member may, before the travel, elect to receive travelling allowance. Where an Assembly member receives travelling allowance, he or she must repay the entire amount if the Government pays or reimburses the travel costs or if any claim is made for travel cost allowance.
- 3.5 Where the Assembly member makes an election under subclause 3.4, travelling allowance for each overnight stay, at the applicable rate specified in Schedule 1, is payable to an Assembly member travelling at Government expense. Where such travel is by regular public transport, overnight stay includes any overnight stay required at the place of departure or en route.
- 3.6 Except as provided in subclause 3.7 travelling allowance is not payable to an Assembly member for an overnight stay within the member's own electorate or within the electorate in which the member's home base is located.
- 3.7 The Assembly member for the electorate of Macdonnell is entitled to the payment of travelling allowance for each overnight stay at Yulara at the applicable rate specified in Part A of Schedule 1. The number of overnight stays for which travelling allowance is paid under this subclause is subject to any limitation applied in the authorisation to travel at Government expense.
- 3.8 Where an Assembly member other than an office holder is travelling at Government expense:
- (a) for and on behalf of an office holder; or
 - (b) with an office holder on official business,
- any travelling allowance payable to the Assembly member is at the office holder rate specified in Part A of Schedule 1.
- 3.9 Assembly members are not entitled to receive travel cost allowance or travelling allowance if the costs are met or provided for by any other entity.
- 3.10 Entitlement to the travelling allowance where commercial accommodation is used at a place specified in Part A of Schedule 1 is established by production of a tax invoice or certification by the relevant Assembly member that a tax invoice can be produced on demand.

- 3.11 The Darwin rate specified in Part A of Schedule 1 is payable to an Assembly member whose home base is located outside Darwin during travel to Darwin at Government expense.
- 3.12 Subject to the same overnight stays limitation for the Assembly member's own travel, if any, a member is entitled to be paid the accompanying person rate specified in Part A of Schedule 1 for any overnight stay where he or she is with a person who is included in his or her Government travel authorisation as an accompanying person.
- 3.13 Where an Assembly member has approval to travel using his or her own private vehicle, without being entitled to travel cost allowance, he or she is entitled to be paid vehicle allowance at the rate determined under section 14(2) of the *Public Sector Employment and Management Act*, subject to any conditions of the approval.

4. Travel expenses overseas

- 4.1 An Assembly member travelling overseas at Government expense on the once per Assembly term overseas study trip is entitled to be paid travelling allowance for a maximum of 21 overnight stays in at the applicable rate specified in Part A of Schedule 1, and also the rate for an accompanying person, where:
- (a) that person is included in the Assembly member's authorisation to travel as an accompanying person; and
 - (b) that person does not have his or her travelling costs met by any other entity; and
 - (c) they are accommodated at the same premises for the overnight stays concerned.

5. Additional Salary of Office

- 5.1 An Assembly member appointed to a ministerial or parliamentary position specified in Schedule 2 is entitled to an Additional Salary of Office at the annual rate specified for the position.

5.2 An Assembly member who holds 2 or more of the positions specified in Schedule 2 is entitled to the rate of Additional Salary of Office that is applicable to only 1 of them, being the greater or greatest of such rate of Additional Salary of Office.

6. Resettlement Allowance

6.1 An Assembly member is, immediately before he or she is taken to retire involuntarily from the Assembly, entitled to a resettlement allowance equal to 12 weeks of basic salary.

6.2 A person who is an Assembly member is taken to retire involuntarily from the Assembly the day before an election involving the electorate that the member represents or may represent only if each of the following applies:

- (a) the person was elected at or since the general election in 2005;
- (b) the person will not be able to access a pension or superannuation benefit related to service in the Assembly immediately after ceasing to be an Assembly member;
- (c) after the declaration of the poll for the election - the person is not an Assembly member because he or she did not stand for re-election following loss of party endorsement (for reasons other than misconduct) or is not elected to be an Assembly member.

6.3 The resettlement allowance is payable at the rate of basic salary current on the date the Assembly member is taken to have retired involuntarily.

7. General

7.1 Where a person becomes an Assembly member or office holder, or ceases to be an Assembly member or office holder during the year, annual entitlements under this Determination shall be proportionate to the time the person is an Assembly member or office holder during that year.

7.2 For the purposes of establishing entitlements under this Determination 'year' means the twelve month period from 1 January to 31 December.

7.3 The Speaker may make procedural rules to give full effect to all entitlements specified in this Determination.

7.4 The Tribunal may give an interpretation of the provisions of this Determination at the request of the Speaker.

7.5 This Determination applies to offices held or occupied, activities undertaken, or expenses incurred, on or after 1 January 2009.

Note: For example, if an Assembly member undertakes travel relevant to this determination and commences that travel on Boxing Day and returns on 5 January, the person's entitlements from 26 December to 31 December are covered by the Tribunal's 2007 Determination (being Determination No. 2 of 2007 in respect of Members of the Legislative Assembly) and the person's entitlements from 1 January to 5 January 2009 are covered by this determination.

Dated this 28th day of October 2008.

John Flynn
Member
Remuneration Tribunal

Schedule 1

A. Rates of Travelling Allowance where Commercial Accommodation is used

Location	Office Holder	Member	Accompanying Person
<u>Northern Territory</u>			
Darwin	\$336	\$294	\$90
Alice Springs	\$327	\$235	\$90
Jabiru	\$331	\$298	\$90
Katherine	\$327	\$215	\$90
Yulara	\$454	\$421	\$90
<u>Elsewhere in the NT</u>			
All places	\$327	\$215	\$90
<u>Capital Cities other Jurisdictions</u>			
Brisbane	\$372	\$352	\$90
Perth	\$416	\$308	\$90
Canberra	\$357	\$292	\$90
Hobart	\$336	\$274	\$90
Adelaide	\$350	\$279	\$90
Melbourne	\$406	\$316	\$90
Sydney	\$406	\$324	\$90
<u>Elsewhere in Australia</u>			
All places other than above centres	\$327	\$215	\$90
<u>Overseas</u>			
All locations	\$370	\$320	\$90

B. Rates of Travelling Allowance where other accommodation is used

Darwin

- (i) Where the office holder or Assembly member stays in accommodation that he or she owns, or holds under a formal lease with at least one month of the term of the lease remaining, he or she shall be paid at the rate of \$190 per day.

Darwin and other locations

- (ii) Where the office holder or Assembly member does not stay in commercial accommodation or accommodation covered by B(i), one third of the applicable rates in A above.
- (iii) The rate of \$60 for a single qualifying accompanying person.

C. Rates for Payment of meals and incidentals where the accommodation component is paid for by the Government

	Office holder	Assembly member
Breakfast	\$25	\$23
Lunch	\$36	\$33
Dinner	\$58	\$46
Incidentals	\$23	\$23

Schedule 2

Rates per annum of Additional Salary of Office

	<u>Rate</u> \$
MINISTERIAL POSITIONS	
Chief Minister	118 788
Deputy Chief Minister	83 122
Leader of Government Business	75 355
Other Ministers	60 636
PARLIAMENTARY POSITIONS	
Speaker	60 636
Leader of the Opposition	60 636
Deputy Leader of the Opposition	30 317
Chairman of Committees	20 211
Chairman of the Public Accounts Committee	20 211
Chairman of the Legal and Constitutional Affairs Committee	20 211
Chairman of the Select Committee on Substance Abuse	20 211
Chairman of the Environment and Sustainable Development Committee	20 211
Chairman of the Sport and Youth Committee	20 211
Government Whip	17 680
Opposition Whip	17 680

Schedule 3

Electorates	Rate
Araluen	\$29 140
Blain	
Braitling	
Brennan	
Casuarina	
Drysdale	
Fannie Bay	
Greatorex	
Johnston	
Karama	
Fong Lim	
Nightcliff	
Port Darwin	
Sanderson	
Wanguri	
Katherine	\$38 502
Nelson	
Goyder	
Daly	\$47 448
Arnhem	\$48 175
Nhulunbuy	\$48 854
Arafura	\$50 722
Macdonnell	\$53 653
Barkly	\$57 491
Stuart	\$77 030