

**REPORT OF THE REMUNERATION TRIBUNAL**

**MINISTERS OF THE CROWN AND OFFICERS AND MEMBERS OF PARLIAMENT**

**1. INTRODUCTION**

- 1.1 Section 4(1)(c) of the *Parliamentary Remuneration Act 1990* confers jurisdiction on the Remuneration Tribunal to determine from time to time electorate allowances and other allowances and expenses for members of Parliament.
- 1.2 The last determination covering these matters was issued on 12 May 2003, viz Determination No. 2 of 2003.
- 1.3 This determination provided for a minimal adjustment to the electorate allowances only, based on the movement in the Consumer Price Index. The associated report detailed the Tribunal's decision to conduct an extensive review of electorate allowances payable to members of Parliament by way of a survey. It wrote to all members on 30 May 2003, requesting this survey be completed for the period 1 July 2003 to 30 June 2004 and returned to the Tribunal by 31 July 2004.
- 1.4 In December 2003 the Tribunal issued Determinations and Reports Nos. 10 and 11 of 2003 which provided further details on the review of Electorate Allowances, Country Member's Accommodation Allowance, Expense Allowances of Ministers of the Crown and Officers of Parliament, and Travelling and Accommodation Allowance for Ministers and the Leader and Deputy Leader of the Opposition. No increases were made to any of these allowances at that time.
- 1.5 In July 2003 and August 2004, a number of legislative changes were made to the *Parliamentary Remuneration Act 1990*, which resulted in the Tribunal being required to make a determination to provide for the provision of a motor vehicle to each member of Parliament. The changes prescribed that any determination in relation to the provision of a non-monetary benefit must not provide for any reduction in the electorate and other allowances, and other expenses payable to members of Parliament.
- 1.6 Determination No. 11 of 2003 specifically related to issues concerned with the provision of a motor vehicle to members of Parliament and electorate allowances. The Tribunal determined that it would defer any decision in relation to the provision of a motor vehicle to members of Parliament until after the surveys were returned in July 2004, and strongly encouraged all members to provide the information to enable the matter to be further reviewed.
- 1.7 In December 2004 a further amendment was made to the *Parliamentary Remuneration Act 1990* which revoked the requirement placed on the Tribunal to make a determination providing for the provision of a motor vehicle to a member of Parliament, and the Government instead approved administrative arrangements to allow for this to occur. However, the clause relating to the inability of the Tribunal to reduce electorate or other allowances or expenses, as a result of the provision of a non-monetary benefit, was not revoked.

## **2. ELECTORATE ALLOWANCES**

- 2.1 In past determinations the Tribunal has clarified the purpose of electorate allowances provided to members of Parliament. These reasons are reiterated below:

"Electorate allowances are provided to compensate members of Parliament for the expenses they necessarily incur in the performance of their duties. A significant component of the allowance covers the cost of running a motor vehicle in servicing of electorates. Other items of expense may include accommodation and travelling expenses (not otherwise covered), donations, subscriptions, telephone, printing, stationery and postage, without attempting to give a fully exhaustive list. "

- 2.2 As detailed in paragraph 1.3 above, the Tribunal wrote to all members in May 2003 advising of an extensive review of electorate allowances payable to members of Parliament by way of a survey. The Tribunal requested members complete the survey for the period 1 July 2003 to 30 June 2004 and return them to the Tribunal by 31 July 2004.

- 2.3 As a result of this request, a number of enquiries were received from members seeking clarification on the expenses covered by the electorate allowance. Consequently, the Tribunal wrote to all members in April 2004 to clarify the expenditures that would qualify. Items which the Tribunal does not consider qualify for the electorate allowance include election expenses, wages and wage overheads, office printing and stationery, office petty cash, or any other office supplies or expenses as they are considered to be incorporated in the global allowance.

The Tribunal advised that any expenses claimed in relation to home office establishment, equipment finance, home office supplies or expenses, accounting, bank fees, dry cleaning, FID, promotions, home water and council rates, or parliamentary catering would need clear justification as necessary expenditure in servicing constituents to be considered eligible electorate allowance expenses. The Tribunal also advised that expenses that may qualify for tax deductibility, such as donations to charitable organisations, do not necessarily accord with those actual personal expenses incurred in serving the constituents of the electorate.

- 2.4 Only nine completed surveys were received by the Tribunal. A further two verbal submissions were made to the Tribunal regarding the electorate allowance. The Tribunal wishes to thank those members who complied with their request and appreciates the information provided. However, the Tribunal also wishes to convey its extreme disappointment at the lack of response from other members, particularly given the indication that was previously given by a member that should the Tribunal conduct a further detailed review at least nine members of the Legislative Council would return detailed information for consideration.

- 2.5 From those submissions returned the Tribunal did note that the bulk of eligible expenses detailed related to costs associated with running and maintaining a motor vehicle. The rest of the expenses appeared as a minimal component of the electorate allowance. The Tribunal noted the various donations made to political parties and charities (which included organisations such as Red Shield, Mary

Potter Hospice, and Bedford Industries) and whilst the Tribunal recognises national and state charities as very worthwhile, it does not consider that donations to such organisations or political parties qualify as expenses to be included for reimbursement by way of the electorate allowance. The Tribunal does however consider donations made to local organisations from within the member's electorate such as a local service, volunteer, or sports club as relevant and qualifying for reimbursement from the electorate allowance.

- 2.6 The Tribunal has considered all of the information that was provided in the survey responses, the most recent verbal submissions and previous written and oral submissions made, together with the implications of the new administrative arrangements for the provision of a motor vehicle to members of Parliament, and has determined that it is not appropriate to further increase the allowance. Indeed, if it were not for the legislative restriction on reducing electorate allowances there could well have been a reduction having regard to the information provided.
- 2.7 The Tribunal will monitor the take up of motor vehicles by members with a view to further reviewing this allowance at a later date.

### **3. COUNTRY MEMBER'S ACCOMMODATION ALLOWANCE**

- 3.1 In December 2003, the Tribunal determined that an increase in the Country Member's Accommodation Allowance was not justified, and that it would continue to monitor the number of parliamentary sitting days in regard to this allowance.
- 3.2 Having regard to the previous determinations, the Tribunal reiterates its advice regarding the further review of this allowance prior to the next election. It is envisaged that two different rates will be determined, one for commercial and the other for non-commercial accommodation.
- 3.3 It is also envisaged that revised Country Member's Accommodation Allowances will be determined to operate immediately following the next election and will be applicable to all newly elected and re-elected country member's of Parliament.

### **4. EXPENSE ALLOWANCES OF MINISTERS OF THE CROWN AND OFFICERS OF PARLIAMENT**

- 4.1 The Tribunal did not receive any other additional information or submissions in response to its requests relating to the Expense Allowances of Ministers of the Crown and Officers of Parliament
- 4.2 Consequently, as the Tribunal did not receive any submissions to increase these allowances and has had no further evidence put before it as to the measure of increase in costs (if any) during this review process, the Tribunal has determined that no increase will be made to the Expense Allowances of Ministers of the Crown and Officers of Parliament.

**5. TRAVELLING AND ACCOMMODATION ALLOWANCES FOR MINISTERS  
AND THE LEADER AND DEPUTY LEADER OF THE OPPOSITION**

- 5.1 Having regard to the increased travelling and accommodation allowances granted to the South Australian public sector and to Court Officers, Judges and Statutory Officers the Tribunal believes justification exists to increase these allowances. Consequently, the Tribunal has determined to provide equivalent increases to the travelling and accommodation allowances for Ministers of the Crown, the Leader of the Opposition and the Deputy Leader of the Opposition to operate from 4 April 2005.

HR Bachmann  
**PRESIDENT**

April 2005