

DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL

REMUNERATION OF MEMBERS OF PARLIAMENT

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PREAMBLE

Summary of Decisions in this Determination

- The basic salary of Members of Parliament is to increase by 1.5%.
- There is no change to allowances and entitlements provided to Members.

Statutory context

- (1) The *Salaries and Allowances Act 1975* (the Act) requires the Tribunal to inquire into and determine the remuneration to be paid or provided to Ministers of the Crown, the Parliamentary Secretary to the Cabinet, Parliamentary Secretaries appointed under section 44A(1) of the *Constitution Acts Amendment Act 1899*, members of committees, and officers and Members of the Parliament.
- (2) Section 8(a) of the Act provides that a determination relating to offices identified in sections 6(1)(a), 6(1)(ab) and 6(1)(b) must be issued within 12 months of the previous determination. The Tribunal's most recent determination in relation to the remuneration of Members of Parliament was issued on 23 June 2015.
- (3) By issuing this Determination, the Tribunal discharges its obligation under section 8(a).
- (4) When issuing determinations under sections 6(1)(a) and (ab), section 10A of the Act requires the Tribunal to consider specific information. Accordingly, in issuing this Determination, the Tribunal has considered the:
 - (a) *Public Sector Wages Policy Statement 2016*, which seeks to limit to 1.5% pay rises for public sector employees, consistent with the Department of Treasury's forecast of the Consumer Price Index in 2015-16; and
 - (b) financial position and fiscal strategy of the State, as stated in the Government's Financial Projections Statement and Government Financial Strategy Statement, published on 21 December 2015 in the 2015-16 Mid-year Review.
- (5) Section 6A of the Act provides the Tribunal with the power to inquire into and determine any matter which the *Parliamentary Superannuation Act 1970* expressly states is within the Tribunal's jurisdiction.
- (6) Section 29(3)(a) of the *Parliamentary Superannuation Act 1970* provides that the Tribunal can make a determination relating to State contributions for members of accumulation funds, provided it complies with the Commonwealth's superannuation guarantee legislation.

Economic context

- (7) The Tribunal's 2015 Determination made no change to salaries provided to Members of Parliament, which had been set in June 2014. This decision reflected the serious issues facing the Western Australian economy.
- (8) The Tribunal has noted the Government's 2015-16 Mid-year Review, which stated that the economic and fiscal outlook remains challenging.

- (9) The 2015-16 Mid-year Review indicated that –
- (a) the State’s finances are facing a sudden and significant challenge due to:
 - (i) commodity price declines;
 - (ii) a contracting domestic economy as business investment declines from its peak in 2012-13; and
 - (iii) lags in the GST distribution system that exacerbate the unpredictability of the State’s revenue base.
 - (b) the general government revenue estimates for 2015-16 were revised down significantly, by \$1.8 billion or 6.5% relative to the previous year.
 - (c) the general government operating balance is forecast to be in a \$3.1 billion deficit position in 2015-16, followed by deficits of \$3 billion in 2016-17 and \$820 million in 2017-18, before an anticipated return to surplus (of \$641 million) in 2018-19.
- (10) The *Quarterly Financial Results Report - December 2015*, published on 25 February 2016 by the Department of Treasury , provided financial results for the Western Australian public sector for the six months to 31 December 2015, and confirmed the State’s challenging revenue outlook.
- (11) As reflected in Treasury information, the impact of these challenges is reflected across the community. Employment figures show the slowdown in the domestic economy and employment growth is expected to slow in 2015-16. Part-time hiring increased by 2.5% in annual average terms to October 2015, but growth in full-time hiring was much weaker, at 1%.
- (12) The average unemployment rate over the year to March 2016 rose from 5.3% to 6.0%, although the Tribunal notes the seasonally adjusted unemployment rate decreased to 5.5% during March 2016, down from a rate of 6.0% in February 2016.
- (13) In 2014-15, growth in household consumption fell to 1.1%, the lowest rate of growth in 25 years and outside the GFC period. Discretionary spending has also been weak.
- (14) Business investment fell by 12.3% in 2014-15. This is a larger decline than the 10.5% fall estimated at Budget. It is also the second consecutive contraction in investment since it peaked at a record level of \$78.7 billion in 2012-13.
- (15) Economic data for December 2015 indicated that Perth's Consumer Price Index increased by 1.5% in year-ended terms. Western Australia's Wage Price Index rose by 2.0% in annual average terms to December 2015, the lowest since the series commenced in 1998. The Public Sector Wage Price Index increased by 3.2% in that period, but the Private Sector Wage Price Index increased more slowly, by 1.7%.
- (16) In statements supporting the release of the Public Sector Wages Policy Statement 2016, the Treasurer and Minister for Commence linked the Consumer Price Index to the State Government’s decision to limit pay rises of 1.5% per annum for public sector employees, consistent with the Department of Treasury's forecast of the CPI in 2015-16. The policy will apply to all public sector industrial agreements expiring on or after 1 June 2016.

2016 Inquiry Process

- (17) The Tribunal invited public submissions to the inquiry in an advertisement appearing in *The West Australian* newspaper on 15 February 2016, with a closing date of 18 March 2016, and on the Tribunal's website at <http://www.sat.wa.gov.au>.
- (18) Submissions were received from the WA Government, the Parliamentary Superannuation Board and an electorate officer.
- (19) No submissions were received from members of the general public.
- (20) The Tribunal consulted with its statutory adviser, Hon George Cash AM, who is appointed under Section 10(4)(a) of the Act to assist the Tribunal.

Review of Remuneration and Entitlements Provided to Members of Parliament

- (21) In late 2013, the Tribunal commenced a detailed review of all aspects of remuneration provided to Members of Parliament, including examination of salary and allowances and entitlements that facilitate Members of Parliament to undertake their Parliamentary and electorate duties.
- (22) The Review considered :
 - (a) the work value of Members of Parliament, parliamentary salaries in other jurisdictions and salaries in the public and private sectors;
 - (b) the appropriate level of base salary and additional salary provided to officeholders;
 - (c) superannuation;
 - (d) allowances, including electorate allowances and transport allowances; and
 - (e) expenses, including travel and accommodation.
- (23) In light of the Review, recent Determinations have included significant amendments relating to allowances and entitlements provided to Members of Parliament.
- (24) The Tribunal's 2015 Determination included changes to:
 - (a) *Transport Allowances* by:
 - (i) reducing the Charter Transport Allowance provided to Regional Members; and
 - (ii) abolishing the Taxi Fare Allowance;
 - (b) *Accommodation Allowances* by:
 - (i) establishing a Base Accommodation Allowance for each Member of Parliament, which rationalised some smaller allowances and allowed travel around the State. The Allowance enables Members to inform themselves on issues affecting the State as a whole; and
 - (ii) reducing the administrative burden associated with the allowance for Regional Members to travel to the Perth Metropolitan area to fulfil their Electorate, Parliamentary and Government responsibilities; and
 - (c) the *Resettlement Entitlement*, which aims to assist former members to transition from public office. The Entitlement only applies for those Members elected after 2000, who do not have access to the same pension arrangements as Members elected previously.

- (25) These amendments were in addition to the significant change in 2013, when the Tribunal assumed responsibility for independently setting the Parliamentary Travel Allowance, previously known as the Imprest Travel Allowance.
- (26) The Tribunal will monitor whether other issues arising from the Review will require adjustment in the future.

Community Consultation

- (27) The Tribunal noted the importance of community expectations in setting appropriate remuneration for Members of Parliament. As a result, a key focus of the Review was to ascertain the views of the community.
- (28) Each annual inquiry into remuneration provided to Members of Parliament includes a public consultation process, traditionally by inviting public submissions through advertisements in daily newspapers. The Tribunal's website also facilitates comments from the public and the lodgement of submissions. Although these are important mechanisms to ensure the community's views can be expressed, very few responses are received.
- (29) The Tribunal has obtained some useful insights by inviting input from community and business leaders, but it has proven difficult to engage the community generally. It is noted that the community is far more willing to contribute, usually disapprovingly, when the inquiry process has concluded and a determination has been issued, particularly when there has been an increase in Members' remuneration.
- (30) For the purposes of the Review, the Tribunal sought to augment the conventional consultation process by surveying a broad cross section of the Western Australian community. The survey, completed by a social research company, canvassed the views of more than 400 people to assess the community's understanding and expectations of the work undertaken by Members of Parliament and the remuneration provided to them.
- (31) Those surveyed were randomly selected and the final sample was adjusted to reflect the Western Australian community according to age, gender and residents in metropolitan and regional areas.
- (32) The Survey proved to be more informative and detailed than the Tribunal's usual consultation processes. However, the nature of many responses were not surprising and often reflected broadly negative views of parliamentary work. These views are noted by the Tribunal, but must be balanced with corresponding data that revealed a significant number within the community, by their own admission, have a limited understanding of the work undertaken by Members and the functions they perform.
- (33) In summary, while there is a common view that Members are overpaid, this is offset by most in the community being unable to identify a Member's salary, not knowing what Members do day-to-day or how many hours they work. This in turn influences perceptions of salary.
- (34) The Tribunal noted the following Survey findings -
 - (a) less than 1 in 5 Western Australians felt informed about the work of Members of Parliament, while almost three quarters feel somewhat or completely uninformed.

- (b) less than 1 in 5 know the number of days that Parliament sits each year, with the majority underestimating this figure.
 - (c) Western Australians don't believe Members of Parliament work any longer than the average worker, with almost half thinking they work less than 40 hours per week.
 - (d) Only 8% correctly estimated the annual base salary of Members of Parliament.
 - (e) 1 in 5 mistakenly believes all Members of Parliament participate in a scheme that provides a pension with a lump sum payment upon retirement.
- (35) By contrast, the Tribunal's direct consultations with community and business leaders were generally, but not uniformly, more favourable towards providing increased remuneration for Members of Parliament. Some strongly maintained that the calibre of Members of Parliament should be comparable with senior executives in the private sector. Those appointed as Ministers are particularly important in the State's development, with responsibility for interaction and negotiations on behalf of the community and the Government.

Salary level

- (36) In addition to the above Survey, the Review considered a range of issues in relation to salary levels of Members of Parliament. While the general community perception is that Members are adequately or over compensated, arguments that Members should receive higher remuneration can be summarised as based on:
- (a) the responsibility and importance of the role;
 - (b) the need to attract quality Members to make the best decisions on issues currently faced by the community and for the future of the state; and
 - (c) the tenuous nature of parliamentary service.
- (37) The Tribunal's Review also focussed on issues relevant to those Members of Parliament elected since 2000, who do not have access to the Parliamentary Pension Scheme (PPS) provided for previous Members of Parliament, which had been closed by legislation enacted in that year.
- (38) At the time the PPS was closed, it was contemplated that Members would be provided a compensatory measure, in the form of counterbalancing changes in a remuneration package of base salary and superannuation. This option was not implemented by the Tribunal at that time. A non-contributory accumulation fund under State Public Sector Superannuation arrangements was introduced for Members and subsequent adjustments to Members' base salary have been largely in line with general wage movements.
- (39) Examination of inflation indicia since 2000 indicates Members' salaries have increased at a rate higher than the Consumer Price Index in Western Australia, and slightly lower than the Western Australian Wage Price Index.
- (40) Superannuation arrangements for Members need to accommodate the tenuous nature of a Parliamentary career, accommodating those whose service may continue to retirement and those returning to employment in the community after a limited period of public service. In this respect the Tribunal considers there are strong arguments for Members' superannuation arrangements to be adjusted to a contribution rate of 15.4%, which aligns with arrangements for parliamentary service at the national level. This matter is subject to a separate Tribunal Determination.

(41) With respect to salary, the Tribunal is required to regularly review remuneration provided to Members, including holders of Parliamentary Offices. It is important to ensure salaries do not fall behind community standards and electorate allowances meet the needs of serving their constituents. However, the seriousness of the state's economic circumstances remains the overriding consideration at this time.

Future considerations

(42) In addition to continuing examination of remuneration provided to Members of Parliament, the Tribunal highlights the following issues that it intends to consider -

- (a) Levels of accountability applied to Electorate Allowances, and the costs of communicating with electorates
- (b) Use of the Charter Allowance, including ancillary travel
- (c) Parliamentary Travel Allowance
- (d) Arrangements for provision of motor vehicles
- (e) The impact of changes to electoral boundaries

(43) In addition, the Tribunal gives notice of its intention at the next State Election to change the categorisation of the electoral district of Mandurah from "Regional" to "Metropolitan". The Tribunal considers the characteristics of that electoral district correspond more readily to Metropolitan electoral districts.

Conclusion

(44) The value of Members of Parliament is assessed by the Tribunal within the context of the demands placed upon them and community standards of remuneration.

(45) The Tribunal notes expectations that elected representatives will be able to respond to increasingly complex issues that impact on the state. It is also important that remuneration is sufficient to attract people committed to public service.

(46) The Review process highlighted the level of commitment from many Members of Parliament, particularly when measured in terms of hours and the impact on personal and family life. This commitment far exceeds the community's general perceptions.

(47) However, at this time, and given the state's economic circumstances, only an economic adjustment is warranted.

Outcomes in this Determination

(48) The basic salary of Members of Parliament is to increase by 1.5%, with effect from 15 April 2016.

(49) This Determination makes no change to allowances and entitlements provided to Members.

The Determination will now issue.

Signed on 15 April 2016.

W S Coleman AM
CHAIRMAN

C A Broadbent
MEMBER

B J Moore
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL REMUNERATION OF MEMBERS OF PARLIAMENT

PART 1 INTRODUCTORY MATTERS

This Part deals with some matters that are relevant to the Determination generally.

1.1 Short Title

This Determination may be cited as the *Members of Parliament Tribunal Determination No. 1 of 2016*.

1.2 Commencement

This Determination comes into operation on 15 April 2016.

1.3 Content and intent

- (1) In accordance with section 6(1)(a), (ab), and (b) and section 6AA of the *Salaries and Allowances Act 1975*, this Determination provides for the salary, allowances and other benefits to be paid, provided or reimbursed to Ministers of the Crown, the Parliamentary Secretary to the Cabinet, Parliamentary Secretaries appointed under section 44A(1) of the *Constitution Acts Amendment Act 1899*, members of committees, and officers and Members of the Parliament.
- (2) This Determination fulfils the Tribunal's obligations under section 8 of the *Salaries and Allowances Act 1975* with respect to offices identified in section 6(1)(a), (ab) and (b) of the *Salaries and Allowances Act 1975*.
- (3) In accordance with section 10A of the *Salaries and Allowances Act 1975*, decisions by the Tribunal in relation to sections 6(1)(a) and (ab) have taken consideration of the:
 - (a) Public Sector Wages Policy Statement 2016, issued on 26 February 2016; and
 - (b) financial position and fiscal strategy of the State, as stated in the Government's Financial Strategy Statement and Government Financial Projections Statement, issued on 21 December 2015 within the Government's 2015-16 Government Mid-year Financial Projections Statement.

1.4 References to Dates

- (1) In this Determination, a reference to "a year" or "per annum" relates to a financial year.
- (2) Where benefits or entitlements are provided with specific reference to "a financial year", these cease on and from 30 June each year and, unless otherwise specified in this Determination, no unexpended amount can be carried over to later financial years.
- (3) Allowances for one financial year, including those relating to travel, cannot be provided in advance for use in a later year.

1.5 Terms used

In this Determination, unless the contrary intention appears –

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

Leader of a recognised non-Government Party means an officer of Parliament identified in section 4(2)(k) of the *Salaries and Allowances Act 1975*.

Member means a Member of the Parliament of Western Australia.

Metropolitan Member means a Member who represents:

- (a) any of the following electoral regions:
 - (i) the East Metropolitan Region,
 - (ii) the North Metropolitan Region,
 - (iii) the South Metropolitan Region, or
- (b) any electoral district contained within any of those electoral regions.

Minor Party Whip means an officer of Parliament identified in section 4(2)(l) of the *Salaries and Allowances Act 1975*.

Official business means the usual business of a Member of Parliament, which:

- (a) Includes business related to a Member's parliamentary, electorate or office holder roles; and
- (b) Excludes party business, other than meetings of a parliamentary political party, or of its executive or committees, or formal meetings of a political party.

Regional Member means a Member who represents:

- (a) any of the following electoral regions:
 - (i) the Agricultural Region,
 - (ii) the Mining and Pastoral Region,
 - (iii) the South West Region; or
- (b) any electoral district contained within any of those electoral regions.

Term of Parliament means a term of the Parliament of Western Australia, which:

- (a) for Members of the Legislative Assembly, is deemed to commence the day after a general election and conclude on the day of the general election following the dissolution or expiry of the Legislative Assembly;
- (b) for Members of the Legislative Council, is deemed to commence on 22 May following a general or conjoint election and conclude on 21 May in the year in which seats would ordinarily be vacated by the effluxion of time.

Tribunal means the Salaries and Allowances Tribunal.

PART 2 REMUNERATION

2.1 General

- (1) Remuneration payable to a Member under this Determination shall be calculated on and from the day following the day on which the Member is elected as a Member and, except as provided by section 2.1(2) and Part 8, shall cease to be payable at the end of the day on which a person ceases to be a Member.
- (2) A person who ceases to be a Member by reason of the dissolution or expiry of the Legislative Assembly is entitled to receive the remuneration provided in this Determination up to and including the date of the election following that dissolution or expiry.
- (3) A person who, immediately before the dissolution or expiry of the Legislative Assembly, is a Member of the Legislative Assembly and holds an office referred to in section 2.1(4) is entitled to receive the base remuneration paid to a Member, and the additional remuneration provided for in section 2.3 in respect of that office, until whichever of the following occurs first:
 - (a) they cease to be a Member, other than by the dissolution or expiry by the effluxion of time of the Legislative Assembly;
 - (b) another person is elected or appointed to the office.
- (4) The offices referred to in section 2.1(3) are as follows:
 - (a) Leader of the Opposition;
 - (b) Deputy Leader of the Opposition;
 - (c) Leader of a recognised non-Government party;
 - (d) Chairman of Committees (Deputy Speaker);
 - (e) Government Whip;
 - (f) Opposition Whip;
 - (g) Minor Party Whip.
- (5) Remuneration under Parts 2, 3 and section 4.4 of this Determination shall be paid in equal instalments either monthly or twice-monthly, so becoming the property of the Member. Remuneration relating to part of a pay period should be calculated on a pro-rata basis.

2.2 Base Remuneration

A Member of Parliament shall be paid a base remuneration of \$156,536 per annum.

2.3 Additional Remuneration for Office Holders

- (1) In addition to the base remuneration paid to a Member, a Member holding one of the following offices shall be paid additional remuneration so that the total remuneration per annum paid to the officeholder is the relevant amount stated in the Table:

<i>Office Held</i>	<i>Total Remuneration</i>
Premier	\$355,681
Deputy Premier	\$302,878
Leader of the Government in the Legislative Council	\$292,317
Minister of the Crown	\$277,230
Leader of the Opposition in the Legislative Assembly	\$277,230
President of the Legislative Council	\$256,109
Speaker of the Legislative Assembly	\$256,109
Leader of the Opposition in the Legislative Council	\$239,514
Deputy Leader of the Opposition in the Legislative Assembly	\$224,427
Leader of a recognised non-Government party	\$224,427
Parliamentary Secretary of the Cabinet	\$224,427
Chairman of Committees in either House (Deputy Speaker)	\$201,796
Government Whip in the Legislative Assembly	\$183,693
Opposition Whip in the Legislative Assembly	\$183,693
Parliamentary Secretary	\$179,167
Government Whip in the Legislative Council	\$179,167
Opposition Whip in the Legislative Council	\$174,641
Chairman of a Standing Committee	\$171,623
Minor Party Whip	\$170,114
Deputy Chairman of a Standing Committee	\$167,852
Member of a Standing Committee	\$167,097

- (2) A person holding more than one office -
- (a) shall be paid additional remuneration under this Part in respect of only one of those offices; and
 - (b) if the additional remuneration is not the same for all of the offices held, shall be paid the additional remuneration relating to the highest paid office.

2.4 Salary Packaging

Salary packaging contributions may be made within the limits prescribed in the "Guidelines for Salary Packaging in the WA Public Sector 2012 - Amended". A copy of these guidelines can be found at: <https://www.commerce.wa.gov.au>. Contributions to the Parliamentary Superannuation Scheme may be salary sacrificed up to the maximum amount allowed under the Scheme.

PART 3 ELECTORATE ALLOWANCES

3.1 General

- (1) A Member is entitled to an Electorate Allowance to assist in the effective representation of their electorate.
- (2) The Electoral Allowance may be used at the Member's discretion, but shall not be used for campaigning, electioneering or political party promotion.

3.2 Base Electorate Allowance

- (1) In addition to the base remuneration specified in Part 2, a Member shall be paid a Base Electorate Allowance of \$78,000 per annum.
- (2) It is intended that this Allowance will be used for expenses incurred to assist with serving the electorate, including:
 - (a) information and communication technology, including mobile phone use, newsletters and internet publications;
 - (b) awards and support for community groups or individuals;
 - (c) hospitality and entertainment associated with a Member's official business;
 - (d) advertising, other than for the purposes of campaigning, electioneering or political party promotion;
 - (e) costs associated with Electoral Management Systems; and
 - (f) stationery and printing.
- (3) Upon a Member's election to a District or Region for which they have not been the immediately previous Member, the Member may apply to the administering agency for advance provision of an amount equivalent to three months of their Base Electorate Allowance to assist in the establishment of an electorate office.

3.3 Additional Electorate Allowance

- (1) Members representing a region or district listed in the Table in section 3.3(3) are entitled to an Additional Electorate Allowance according to the size and complexity of the Region or District they represent.
- (2) This Allowance is provided to assist eligible Members in undertaking electorate business, including for the installation on a Government vehicle of safety equipment considered necessary by the Member but not listed in section 5.1(11).

(3) The Additional Electorate Allowance is as follows –

<i>ELECTORAL DISTRICT / REGION</i>	<i>ADDITIONAL ALLOWANCE PER YEAR</i>
Mining and Pastoral Region	\$25,350
Eyre, Kalgoorlie, Kimberley, North West Central and Pilbara Districts	\$23,900
Agricultural Region	\$17,500
Central Wheatbelt, Moore and Wagin Districts	\$15,350
South West Region	\$12,250
Warren-Blackwood District	\$10,400

PART 4 COMMUNICATION ALLOWANCES

4.1 Electorate Office Telephones

- (1) A Member is entitled to the payment by the administering agency of all charges, other than for international calls, in relation to five telephone lines in their electorate office.
- (2) Electorate office telephones are to be used for official business only.

4.2 Teleconferencing

A Member may be reimbursed for the cost of using audio or video-conferencing facilities, subject to providing to the administering agency certification that demonstrates that the use related to official business.

4.3 Parliament House Communications

A Member charged for using Parliament House facilities for telephone calls, or audio or video-conferencing facilities, shall be reimbursed for all such charges, provided the use related to official business.

4.4 Postal Allowances for Certain Office Holders

- (1) A person who holds one of the following offices is entitled to an annual allowance, paid monthly, for postal services relating to the office.

OFFICE HOLDER	ALLOWANCE
Leader of the Opposition in the Legislative Assembly	\$14,150
Leader of the Opposition in the Legislative Council	\$10,650
Leader of a recognised non-Government Party	\$10,650
Deputy Leader of the Opposition in the Legislative Assembly	\$7,100

- (2) This allowance must not be used for campaigning, electioneering, electorate business or personal business.

PART 5 TRANSPORT ALLOWANCES

5.1 Motor Vehicle

- (1) A Member is entitled to be supplied with a Government leased private plated motor vehicle for parliamentary, electorate and private use within Western Australia.
- (2) This entitlement is in addition to a Member's remuneration under Part 2.
- (3) Motor vehicles issued through this provision shall be to the notional lease value of \$25,000 per annum. This subsection is subject to sections 5.1(10) and (12).
- (4) The motor vehicle can be used by the Member for private purposes. From time to time when the Member does not require the vehicle, it may be used by a family member or electorate staff. Use of the vehicle by any other person is not permitted except in an emergency.
- (5) This entitlement does not apply to a Member serving in an office in respect of which a Government vehicle is supplied under arrangements separate to this Determination. Where a Member becomes entitled to a Government vehicle under arrangements separate to this Determination, then this entitlement shall cease upon provision of that motor vehicle.
- (6) A Member may forego this entitlement and be paid an amount of \$25,000 per annum, payable monthly or twice-monthly. This option cannot be exercised during the term of a lease.
- (7) The notional lease value must include the lease cost, all applicable taxes and other operating costs based on the relevant figure of nominated kilometres to be travelled annually. The formula to be adopted in valuing the motor vehicle is:

$L + R + aD + FBT + I + LCT$, where -

- L = Lease payments
- R = Registration costs
- a = Running cost per kilometre
- D = nominated annual kilometres
- FBT = Fringe Benefits Tax
- I = Insurance
- LCT = Luxury car tax

- (8) FBT is costed at applicable Australian Taxation Office rates. FBT is the purchase price (including GST) x Statutory fraction x Gross up (2.1463) x FBT rate (0.490).
- (9) Regional Members who serve in an office in respect of which a Government vehicle is supplied under arrangements separate to this Determination may apply to the Tribunal to be supplied with an electorate vehicle. The Member's application must demonstrate the need for the electorate vehicle and certify that it will be predominantly used in their Region or District.

- (10) Regional Members may apply to the Tribunal for the issue of a four wheel drive vehicle instead of the entitlement specified in section 5.1(3), provided that vehicle will be used predominantly in the Member's Region or District. The cost of a four wheel drive vehicle supplied under this subsection cannot exceed the cost of the Toyota Prado GXL Automatic 3.0 litre Turbo Diesel.
- (11) Regional Members are entitled to the installation of safety equipment appropriate to the likely use of the vehicle, including:
- (a) frontal protection, such as bull bars;
 - (b) electronic animal deterrent devices;
 - (c) radiator insect screens;
 - (d) window tinting; and
 - (e) driving lights.
- (12) Where a Member requires a particular model of vehicle and the notional lease cost exceeds the notional lease value specified in section 5.1(3) or the benchmark vehicle specified in section 5.1(10), the additional costs (including Goods and Services Tax, Fringe Benefits Tax and insurance), shall be drawn from the Member's Base Electorate Allowance or Additional Electorate Allowance, unless section 5.2(6)(a) is applicable.
- (13) Whether additional costs are to be drawn under section 5.1(12) is to be assessed at the time of entering into the lease. The assessment will be based on the notional lease cost to Government of the vehicle sought (using the formula in section 5.1(7)), compared to the relevant notional lease value specified in section 5.1(3) or the benchmark vehicle specified in section 5.1(10).
- (14) The Tribunal's approval must be obtained before a vehicle supplied under this Determination is used outside Western Australia.
- (15) Members provided with a vehicle under this Determination must comply with maintenance and care obligations that apply to the WA Government Fleet generally.

5.2 Charter Transport

- (1) Members representing Regions or Districts specified in the Table shall be entitled to use charter transport not exceeding the amounts specified per annum –

ELECTORAL REGION / DISTRICT	ALLOWANCE PER ANNUM
Eyre, Kalgoorlie, Kimberley, North West Central and Pilbara Districts	\$45,000
Mining and Pastoral Region	\$35,000
Agricultural Region	\$30,000
Central Wheatbelt, Moore and Wagin Districts	\$20,000
South West Region	\$20,000
Albany, Geraldton and Warren-Blackwood Districts	\$8,000

- (2) The Charter Transport Allowance may be used by a Regional Member to assist electorate or parliamentary business when a motor vehicle provided to the Member under section 5.1 is unavailable because it is in a different location to the Member.
- (3) This Allowance may be used for:
 - (a) charter aircraft, hire cars, taxis; and
 - (b) any other mode of transport approved from time to time by the Tribunal.
- (4) This Allowance does not apply when an airline provides a service to and from the relevant destination that operates at times reasonably convenient to the Member's business.
- (5) This Allowance does not apply to any travel booked or undertaken in another financial year.
- (6) With respect to over-benchmark costs incurred in relation to a Member's vehicle:
 - (a) In the event the Member has entered lease arrangements before 1 July 2015, the amounts specified in the table shall be reduced by the amount of those costs, unless they were met through the Member's Electorate Allowances.
 - (b) For lease arrangements commencing on or after 1 July 2015, such costs shall be drawn from the Member's Electorate Allowance or Additional Electorate Allowance.
- (7) Where a Member uses air charter services to travel between two or more locations serviced by commercial air services (regular public transport) and there is no direct commercial air service between those locations, the amount deducted from the Member's Charter Transport Allowance shall be the difference between the cost of air charter via the direct route between the locations and the cost of a business class fare (or where a business class fare is not available, the full economy fare) for the shortest commercial air service route between the same locations. The balance of the cost of the air charter shall be paid from the Consolidated Account.
- (8) Claims against this Allowance must be submitted to the administering agency within 90 days from the date that the travel is undertaken.
- (9) The administering agency may extend the time to submit a claim in exceptional circumstances, which are the following:
 - (a) receipt of invoices delayed for reasons outside the Member's control;
 - (b) ill health;
 - (c) bereavement.

Administrative oversight or negligence are not exceptional circumstances.
- (10) Applications for extension of time must be in writing and provide sufficient details of exceptional circumstances.

- (11) Charges shall only be levied against this Allowance in the event the Member has actually undertaken the travel claimed.
- (12) When travel outside Western Australia cannot be avoided, Members seeking to claim this Allowance must obtain the Tribunal's approval before the travel is undertaken.

PART 6 ACCOMMODATION

6.1 Accommodation – General Matters

- (1) For the purposes of this Part –

Home base means a Member's place of residence.

Partner means a person nominated by a Member as their spouse or de facto partner within the meaning of section 13A of the *Interpretation Act 1984*.

- (2) Accommodation Allowances may only be claimed for overnight accommodation and associated expenses incurred by a Member in relation to their official business.
- (3) Claims under this Part must be submitted to the administering agency within 90 days from the date accommodation expenses are incurred.
- (4) The administering agency may approve an extension of time to submit a claim following a Member's application in writing, and only in exceptional circumstances, which are the following:
- (a) receipt of invoices delayed for reasons outside the Member's control;
 - (b) ill health;
 - (c) bereavement.

Administrative oversight or negligence are not exceptional circumstances.

- (5) Claims must:
- (a) identify the relevant Accommodation Allowance being claimed and certify that the expense was incurred in accordance with that Allowance; and
 - (b) in the case of commercial accommodation, include a tax invoice or statutory declaration.
- (6) Accommodation Allowances shall be calculated on a pro rata basis for a Member who becomes eligible for an Allowance within a financial year.
- (7) Reimbursement provided under this Part shall be reduced to the extent that the Member's expenses have been, or will be, reimbursed or paid from another source.

6.2 Base Accommodation Allowance

- (1) A Member is entitled to a Base Accommodation Allowance to facilitate their role of representing their electorate and undertake official business.
- (2) The Base Accommodation Allowance may be claimed for accommodation and associated expenses incurred within the State and more than a 75 kilometre radius from the Member's home base.

- (3) The maximum number of nights claimable per year by a Member is as follows, according to the Region or District that the Member represents –

ELECTORAL REGION / DISTRICT	NIGHTS
Metropolitan Members	30
Albany, Bunbury, Dawesville, Geraldton and Mandurah Districts	30
Warren-Blackwood, Central Wheatbelt, Collie-Preston, Moore, Murray-Wellington, Vasse and Wagin Districts	40
Eyre, Kalgoorlie, Kimberley, North West Central and Pilbara Districts	60
Agricultural, Mining and Pastoral, South West Regions	80

- (4) The total daily amount for the Base Accommodation Allowance is determined to be the relevant Australian Taxation Office's daily travel allowance (published as a Taxation Determination) applicable at the date of travel.
- (5) For the purpose of calculating the appropriate salary limits in a Taxation Determination, a Member's salary comprises:
- (a) Base Remuneration; and
 - (b) any Additional Remuneration provided to an officeholder; and
 - (c) the Base Electorate Allowance.
- (6) Claims for non-commercial accommodation shall be paid at 40% of the applicable daily rate.

6.3 Regional Members: Allowance to attend sittings of Parliament

- (1) This allowance can only be provided when the Member, or their partner, has a right to ongoing occupancy, through ownership or lease arrangements, at a residence in, or adjacent to, their Electoral Region or District.
- (2) An eligible Regional Member is entitled to an allowance for accommodation and associated expenses incurred to meet their requirement to attend sittings of Parliament.
- (3) This allowance entitles the Member to an amount of \$273 per night for 90 nights each year.
- (4) The allowance shall be paid monthly or twice-monthly.
- (5) The onus is on the Member to submit to the administering agency evidence that demonstrates:
- (a) the right in section 6.3(1); and
 - (b) any periods during which the right in section 6.3(1) has not applied.

6.4 Regional Members: Additional Metropolitan Accommodation

- (1) This allowance can only be provided when the Member, or their partner, has a right to ongoing occupancy, through ownership or lease arrangements, at a residence in, or adjacent to, their Electoral Region or District.
- (2) In addition to the Allowance provided in section 6.3, eligible Regional Members may claim an amount of \$273 per night, up to a maximum of 30 nights per year, for metropolitan accommodation and related expenses associated with:
 - (a) official Parliamentary committee business;
 - (b) official Government, Parliamentary or Vice Regal functions; and
 - (c) other official duties relating to Parliamentary or electorate matters.
- (3) Claims under this section cannot be made:
 - (a) in relation to nights included in section 6.3 to facilitate attendance at sittings of Parliament; or
 - (b) by Regional Office Holders specified in section 6.5.
- (4) The onus is on the Member to submit to the administering agency evidence that demonstrates:
 - (a) the right in section 6.4(1); and
 - (b) any periods during which the right in section 6.4(1) has not applied.

6.5 Regional Office Holders: Additional Metropolitan Accommodation

- (1) For the purposes of this section, a Regional Office Holder is a Regional Member who holds one of the following offices:
 - (a) Premier
 - (b) Deputy Premier
 - (c) Minister of the Crown
 - (d) Leader of the Opposition in the Legislative Assembly
 - (e) President of the Legislative Council
 - (f) Speaker of the Legislative Assembly
 - (g) Leader of the Opposition in the Legislative Council
 - (h) Leader of a recognised non-Government Party
- (2) This allowance can only be provided when a Regional Office Holder, or their partner, has a right to ongoing occupancy, through ownership or lease arrangements, at a residence in, or adjacent to, their Electoral Region or District.
- (3) In addition to the Allowance provided in section 6.3, eligible Regional Office Holders are entitled to an Allowance for metropolitan accommodation and related expenses incurred to facilitate their official business, including Cabinet and Executive Council responsibilities, and other functions of the office they hold.
- (4) Eligible Regional Office Holders are entitled to an amount of \$273 per night for 60 nights per year.

- (5) The allowance shall be paid in monthly or twice-monthly instalments.
- (6) For an eligible Regional Office Holder appointed during a financial year to an office listed in section 6.5(1), this Allowance shall be calculated on a pro rata basis.
- (7) The onus is on the Member to submit to the administering agency evidence that demonstrates:
 - (a) the right in section 6.5(2); and
 - (b) any periods during which the right in section 6.5(2) has not applied.

6.6 Office Holders on Official Business

- (1) The following Office Holders are entitled to claim overnight accommodation and associated expenses incurred within Australia and more than a 75 kilometre radius from their home base and related to the official business of their office -
 - (a) Premier
 - (b) Deputy Premier
 - (c) Ministers
 - (d) Leader of the Opposition in the Legislative Assembly
 - (e) Leader of the Opposition in the Legislative Council
 - (f) Leader of a Recognised Non-Government Party
 - (g) Parliamentary Secretary to the Cabinet
 - (h) Parliamentary Secretaries
- (2) The actual costs of accommodation claimed by an Office Holder under this section can be debited to the Corporate Credit Card provided to the Office Holder.
- (3) The total daily amount that may be claimed under this section is determined to be the relevant Australian Taxation Office's daily travel allowance (published as a Taxation Determination) applicable at the date of travel.
- (4) For the purpose of calculating the appropriate salary limits in a Taxation Determination, a Member's salary comprises:
 - (a) Base Remuneration; and
 - (b) any Additional Remuneration provided to an officeholder; and
 - (c) the Base Electorate Allowance.
- (5) Claims for non-commercial accommodation shall be paid at 40% of the applicable daily rate.
- (6) Where an Office Holder reasonably and properly incurs costs exceeding the rates specified in in section 6.6(3) and has debited a Corporate Credit Card provided to them, the actual costs shall be met.
- (7) A Member appointed to act temporarily in an office listed in section 6.6(1) is entitled, for the duration of the temporary appointment, to claim an allowance under this section on

the same basis as a permanent Office Holder, provided they have been requested in writing by the Office Holder to deputise on official business related to that office.

6.7 Members on Parliamentary Committee Business

- (1) The Accommodation Allowance for overnight accommodation for a Member travelling within Australia as an official representative of a Parliamentary committee or delegation, including a standing, select or a joint committee, is determined to be the relevant Australian Taxation Office's daily travel allowance (published as a Taxation Determination) applicable at the date of travel.
- (2) For the purpose of calculating the appropriate salary limits in a Taxation Determination, a Member's salary comprises:
 - (a) Base Remuneration; and
 - (b) any Additional Remuneration provided to an officeholder; and
 - (c) the Base Electorate Allowance.
- (3) Claims for non-commercial accommodation shall be paid at 40% of the applicable daily rate.
- (4) Where the costs reasonably and properly incurred exceed the rates contained in section 6.7(1), the actual costs shall be met.

PART 7 PARLIAMENTARY TRAVEL

7.1 Parliamentary travel

- (1) In this section:

conferences means meetings, seminars and short courses (excluding complete tertiary degree or diploma courses) conducted by professional bodies, educational organisations or special interest groups.
- (2) The allowance in this section (the Parliamentary Travel Allowance) may be provided in addition to payment or reimbursement under Part 5 or Part 6.
- (3) Members are entitled to claim or be reimbursed for expenses incurred for –
 - (a) travel, accommodation and incidental expenses incurred within Australia or overseas while on official business; and
 - (b) attendance at conferences which inform and assist in the performance of their functions as a Member of Parliament.
- (4) Under this Part, a Member can claim or be reimbursed an amount of \$27,000 over the term of Parliament in which they serve as a Member.
- (5) A Member who serves part of a term of Parliament can claim or be reimbursed a proportionate amount according to that part of the term of Parliament.
- (6) For commercial accommodation, the daily amount of a claim or reimbursement is as follows –
 - (a) Within Australia, the relevant Australian Taxation Office's 'reasonable benefit limits' for accommodation, meals and incidentals (published as a Taxation Determination), applicable at the date the expense is incurred; and
 - (b) Outside Australia, up to \$400 per day for accommodation plus the relevant Australian Taxation Office's 'reasonable benefit limit' for meals and incidentals (published as a Taxation Determination) applicable at the date the expense is incurred.
- (7) For the purpose of calculating the appropriate salary limits in a Taxation Determination, a Member's salary comprises:
 - (a) Base Remuneration; and
 - (b) any Additional Remuneration provided to an officeholder; and
 - (c) the Base Electorate Allowance.
- (8) For non-commercial accommodation, the daily amount of reimbursement shall be 40% of the amounts specified in section 7.1(6).
- (9) Expenses are to be incurred by the Member only, except in the event a Member requires physical or medical assistance, when a person may accompany the Member in order to render such assistance.

- (10) A written application for claims or reimbursements under this Part must be made to the administering agency, and provide a sufficiently detailed itinerary to demonstrate that the expenses incurred relate to the Member's official business.
- (11) The daily amount a Member can claim under this Part may be paid in advance following the Member's written application to the administering agency.
- (12) Expenses met by any other party must not be included in a claim or reimbursement.
- (13) The Parliamentary Travel Allowance does not apply during the period that begins on the day after the day a writ or writs are issued for a general or conjoint election pursuant to the *Electoral Act 1907* and ends on the day of the poll, except where a Member, prior to the issue of a writ, has incurred expenses in relation to –
 - (a) eligible travel that has commenced; or
 - (b) a conference or short-course that has commenced.
- (14) The entitlement shall cease to apply to a Member of the Legislative Council who fails to be elected at a general election and who, in the same year as the general election, is to vacate their seat in the Legislative Council.:

7.2 Transitional Provision

The reimbursement in this Part shall be reduced to the extent a Member has already claimed reimbursement in the same term of Parliament for expenses under the Imprest Travel Allowance, determined pursuant to section 11A of the *Salaries and Allowances Act 1975*.

PART 8 RESETTLEMENT ENTITLEMENT

- (1) A Member who is not entitled to superannuation benefits through the Parliamentary Pension Scheme is entitled to receive a Resettlement Entitlement as a lump sum payment upon ceasing to be Member.
- (2) This entitlement is to facilitate a Member's transition from public office to private life by assisting the Member to access resettlement advice and services, including meeting the costs of financial counselling, re-employment counselling, out-placement services, training costs and any other costs incurred as the Member considers necessary.
- (3) The amount of the entitlement shall be calculated according to a Member's length of service as a Member, as follows -
 - (a) one term - a proportion of Base Remuneration equivalent to 3 months' pay;
 - (b) more than one term, but less than three terms - a proportion of Base Remuneration equivalent to 6 months' pay; and
 - (c) three terms or more - a proportion of Base Remuneration equivalent to 9 months' pay.
- (4) The Resettlement Entitlement:
 - (a) does not apply for a person who has previously received the Resettlement Entitlement;
 - (b) does not apply for a person who is disqualified for membership of the Legislature under section 32(1)(b) of the *Constitution Acts Amendment Act 1899*; and
 - (c) shall be deferred for a person who has ceased to be a Member but is seeking to be a candidate in the next election, until it is confirmed through the election's outcome that the person will not recommence as a Member of Parliament.

The determination will now issue.

Signed on 15 April 2016.

W S Coleman AM
CHAIRMAN

C A Broadbent
MEMBER

B J Moore
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL

Pursuant to section 6A of the *Salaries and Allowances Act 1975* and section 29 of the *Parliamentary Superannuation Act 1970*

DETERMINATION

Pursuant to Section 29(3)(a) of the *Parliamentary Superannuation Act 1970*:

With effect from 15 April 2016 the rate of contribution to be made on behalf of the Members is 15.4% of the parliamentary salary determined in accordance with section 6(1)(a), (ab) and (b) of the *Salaries and Allowances Act 1975*.

The determination will now issue.

Signed on 15 April 2016.

W S Coleman AM
CHAIRMAN

C A Broadbent
MEMBER

B J Moore
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL