



## REMUNERATION TRIBUNAL

December 2001

The Hon Tony Abbott MP  
Minister for Employment and Workplace Relations  
Parliament House  
CANBERRA ACT 2600

Dear Minister

### **ANNUAL REPORT 2000–2001**

We have pleasure in presenting to you the Tribunal's annual report for 2000-2001. Section 12AA(2) of the *Remuneration Tribunal Act 1973* (the Act) requires you to cause a copy of this report to be laid before each House of Parliament within 15 sitting days of your receiving it.

In accordance with the Act, the report addresses the operations of the Remuneration Tribunal (the Tribunal) in the year to 30 June 2001. During 2000-2001 the Department of Finance and Administration (Finance) provided the resources for the Tribunal's activities. That function has now transferred to the Department of Employment and Workplace Relations as a result of changes made under the Administrative Arrangements Order of 26 November 2001.

### **Strategic Framework**

The Tribunal's activities and decision making continued within the strategic framework developed in 1999-2000. The Tribunal has set itself the target of putting in place a Commonwealth remuneration framework that:

- supports a high performing Commonwealth public sector;
- attracts and retains the best quality people;
- supports the accountability structure of the Commonwealth;
- is consistent with the Government's broader workplace relations policies; and
- has the confidence of the Government and the nation by being independent, cost effective, competitive, flexible and transparent.

### **Ministerial and parliamentary remuneration**

The current system of parliamentary remuneration is set out in five main Acts.

Within this system, the Tribunal determines certain allowances for all 224 federal Senators and Members of Parliament, and the additional salary of up to 42 Ministers and holders of 43 Parliamentary offices.

Many issues relating to parliamentary entitlements are not within the Tribunal's jurisdiction, and are determined either by the Government, through the Special Minister of State, or by the Parliament.

The base salary for members of Parliament is linked to Reference Salary A of Band A of the Principal Executive Office (PEO) Classification Structure. At 30 June, the PEO review was still under consideration.

The Tribunal's consideration of parliamentary remuneration and allowances is guided by its approach of providing as much flexibility as possible for Senators and Members. That approach aims to enable parliamentarians to make their own judgements about how to best serve their constituents and meet the varying needs of diverse electorates.

As required by the Act, the Tribunal reviewed a range of parliamentary remuneration and allowances during 2000-2001, and:

- amended principal Determination 1998/08 to provide: new travelling allowance rates for parliamentarians; temporary modifications regarding acceptance of hospitality packages during the Sydney 2000 Olympic Games or Paralympic Games; a new provision to allow the Commonwealth, in exceptional circumstances, to meet the official travel-related costs of Ministers; and changes to the manner in which the Prime Minister's travelling allowance is administered (Determination 2000/7);
- finalised a major review of electorate allowance and charter transport in September 2000, which did not adjust electorate allowance but made various changes to the principal Determinations for parliamentarians including renaming the information delivery services allowance as 'communications allowance' and allowing it to be used to establish and maintain websites; adjusting allowances for large electorates and enabling a trial period of portability between the charter transport and communications allowances for electorates of 300,000 or more square kilometres (Determination 2000/11);
- prepared the annual report on Ministers' additional salary (Report No 1 of 2001) and issued a determination on parliamentary office holders' additional salary (Determination 2001/03);
- amended principal Determination 1998/26 to enable dependent children over 12 and designated persons with access to the pooling and conversion provisions to be able to travel at other than economy class, provided this is done within the entitlement as spelt out in the pooling and conversion provisions of the Determination (Determination 2001/09); and
- made changes to principal Determination 1998/26, applicable for a specified period, to facilitate travel arrangements by the categories of spouse/nominee, dependent child and designated person, for the purpose of the Centenary of Federation Parliamentary Sittings in Melbourne on 9 and 10 May 2001 (Determination 2001/10).

In addition, the Tribunal commenced its review of parliamentarians' overseas study travel. On 14 December 2000, the President of the Tribunal wrote to all Federal senators and Members inviting submissions to the Tribunal's review.

In his letter, the President noted that the Tribunal intended the review to be a wide-ranging examination of matters pertaining to overseas travel, considering such issues as rules relating to accompanied travel and limited overseas travel for Opposition shadow ministers. The review was still in progress at the end of the reporting year.

### **Judicial remuneration**

Three main Acts establish the current system of judicial remuneration. The Tribunal issues a consolidated determination for all judicial and related offices. In its 2000 review of aspects of judicial remuneration, the Tribunal determined an average increase of 4.6% in the base salary of judicial and related offices. Judicial Registrars of the Family Court received a 3.2% cost of living adjustment.

In response to a request from the Attorney-General, the Tribunal also formally determined the conditions governing the provision of Commonwealth-provided privately plated vehicles to judges.

During the year, the Tribunal prepared for a major review of judicial and related offices by drafting a discussion paper providing background information and identifying issues needing consideration. Those issues included relativities between courts and jurisdictions, elements of remuneration and allowances, the linkage between productivity, performance and remuneration of judicial offices and salary packaging. The impact on the Federal justice system of the newly established Federal Magistrates Service, which completed its first year of operation in June 2001, will also be considered in the review.

Consultation with relevant bodies will contribute to the content of the final paper, which had not been published as at 30 June 2001. The Tribunal will seek submissions to its review, which will be concluded in 2002.

A meeting of the Judicial Remuneration Coordination Committee was held on 25 May 2001. The meeting brought together representatives of the Commonwealth, state and territory bodies responsible for judicial remuneration for a discussion of issues.

### **Public office holders - executive and board remuneration**

Under the Act, the Tribunal is responsible for setting the remuneration and some allowances for a broad range of full and part-time holders of public office. In accordance with the *Public Service Act 1999*, the Tribunal advises the Prime Minister on terms and conditions (including remuneration and allowances) of Commonwealth Departmental Secretaries and the Public Service Commissioner. It also advises Ministers on the remuneration and other conditions of the Heads of Executive Agencies.

### Principal Executive Offices

Last year our report outlined the establishment of the Principal Executive Office (PEO) Structure. The Structure is designed to allow flexibility to office holders and their employing bodies to negotiate details of total remuneration, with access to salary packaging and performance bonuses. Guidelines for the Structure set by the Tribunal in its relevant Determination (1999/15) emphasise performance as an important element in setting remuneration levels.

Over the course of the year, consultation processes between Ministers, the Minister for Finance and Administration and the Tribunal resulted in the declaration by the Minister for Finance and Administration of 30 PEOs. In March 2000, the Parliament passed amendments to the Act to clarify the roles of the Tribunal, the Minister for Finance and Administration and employing bodies.

The Tribunal requires all employing bodies to report on the remuneration of individual PEOs by 31 March each year. On 31 March 2000, nine new PEOs were created and operated within the PEO Structure for the remaining three months of the 2000-2001 financial year. No remuneration increases were given to the nine PEOs in that period. The Tribunal expects that once the PEO Structure has been in place for 12 months, a more extensive report on the Structure can be provided.

### Holders of full-time and part-time public office

During 2000-2001, the Tribunal reviewed aspects of executive and board remuneration as required by the Act, and determined:

- for full-time office holders – an average 3.4% increase in base salary from 5 April 2001;
- for part-time office holders – an average 3.4% increase in annual or per diem fees from 5 April 2001, and a new level of fees for members of Audit or Risk Management Committees; and
- through the consideration of individual cases, 56 new levels of base salary, remuneration or performance bonus arrangements for new and existing public offices.

In addition, the Tribunal advised the Prime Minister on the remuneration of Departmental Secretaries, and the Minister Assisting the Prime Minister for the Public Service on the remuneration of the Public Service Commissioner. It also advised each of the relevant Ministers on the remuneration and other conditions of three Executive Agency Heads.

### **Travel provisions and rates**

The Tribunal concluded a major review, commenced last year, of travelling allowance arrangements for all offices within its jurisdiction. It consolidated administrative rules and allowance rates and aligned them more closely with general community standards.

The review resulted in adjustments to travelling allowance of up to 5% for all offices in the Tribunal's jurisdiction, to reflect movements in the market. Travelling allowance rates were consolidated into three tiers to provide for consistency and administrative ease. The Tribunal refined the rates for different locations across Australia, resulting in office holders being entitled to rates of accommodation allowance that more closely reflect actual costs.

In accordance with the Tribunal's policy of consistency between the various parts of its jurisdiction, the majority of the new travel provisions are the same for judges and related offices, holders of full-time and part-time public office, and PEOs.

The Tribunal also adopted the 'reasonable travel rates' for overseas travel and domestic self-drive vehicles issued by the Australian Taxation Office that apply to all Australians.

### **Disclosure of decisions**

The Act requires that all Tribunal reports and determinations must be tabled in both Houses of Parliament (sub sections 6(5) and 7(7) refer). During 2000-2001, the Tribunal issued one report and 25 Determinations (detailed at Appendix 2). All of these documents:

- were tabled in both Houses of the Parliament by the Minister for Finance and Administration as the responsible Minister and within the timeframe required by the relevant sub sections of the Act; and
- lay before each House of the Parliament for the required further 15 sitting days, without a disapproval motion being initiated by any Senator or Member.

An explanatory memorandum is tabled with each Tribunal determination. The Senate Standing Committee on Regulations and Ordinances scrutinises each Tribunal determination and each regulation tabled by the Minister for Finance and Administration under the *Remuneration and Allowances Act 1990* and the *Remuneration Tribunal Act 1973*.

The Tribunal issues an accompanying statement, outlining its reasons for decisions, with each of its major determinations. The Tribunal generally takes into account a wide range of factors, including broad economic trends, issues relevant to the employment market, and specific workplace factors such as work value, productivity, recruitment and retention as is appropriate to the particular offices which it has considered and determined upon.

Copies of the Tribunal's determinations, statements and other information are available on its website at [www.remtribunal.gov.au](http://www.remtribunal.gov.au). There were 23,436 hits in 2000-2001, an increase of over 9,500 on the 1999-2000 figure.

### **Administrative and secretariat issues**

Members' terms of office and their attendance at meetings for the reporting year are as follows:

	<i>Appointment date</i>	<i>Term of office</i>	<i>Tribunal sessions attended*</i>
Mr Richard Humphry AO	4 March 1998	5 years	13
Mr John Conde AO	18 June 1998	5 years	13
Ms Janet Grieve	12 April 2000	5 years	13

\* *Tribunal sessions included face to face meetings and regular out of session consideration of items.*

The Tribunal also consulted various interested parties in person, by telephone and in hearings conducted in Sydney and Canberra.

Members of the Tribunal are part-time and have a range of business and private interests. From time to time, a member of the Tribunal may withdraw herself or himself from the discussion of certain agenda items where there is the possibility of a real or perceived conflict of interest. Conflict of interest statements are updated on a regular basis.

Secretariat services to the Tribunal are provided by Finance. We would like to acknowledge the high standard of support provided during the course of the year.

As part of Finance, the Tribunal Secretariat is subject to the *Freedom of Information Act 1982* (the FOI Act). FOI requests to the Tribunal Secretariat are handled by Finance in accordance with its procedures and are reported upon in the Finance Annual Report. One FOI request was received in 2000-2001. For the purposes of the FOI Act, we note that the powers and functions of the Tribunal and of the Minister for Finance and Administration are as outlined in this report.

The Tribunal has no matters to report under section 74 of the *Occupational Health and Safety (Commonwealth Employment Act) 1991*, section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* or under the *Commonwealth Electoral Act 1918*.

This concludes the Tribunal's annual report for 2000-2001.

Yours sincerely

Richard G Humphry  
PRESIDENT

John C Conde  
MEMBER

Janet Grieve  
MEMBER



**Appendix 1****Remuneration Tribunal Determinations and Reports 2000-2001**

During 2000–2001, the Remuneration Tribunal issued the following reports and determinations. Copies of these documents can be obtained from:

1. the tabling offices of the Parliament of the Commonwealth of Australia; and
2. the Tribunal's website [www.remtribunal.gov.au](http://www.remtribunal.gov.au)

<i>Document</i>	<i>Description</i>	<i>Availability on-line#</i>	
2001/13	Amending Determination - Classification Structure for Principal Executive Offices	As signed	
2001/12	Amending Determination - Remuneration and Allowances for Various Public Office Holders	As signed	
2001/11	Amending Determination - Secretaries of Departments and Specified Statutory Officers - Remuneration and Allowances	As signed	
2001/10	Amending Determination - Members of Parliament Entitlements	As signed	
2001/09	Amending Determination - Members of Parliament Entitlements	As signed	
2001/08	Amending Determination - Remuneration and Allowances for the Chairperson, Deputy Chairperson and Member of the Australian Securities and Investments Commission	As signed	
<b>2001/07</b>	<b>Principal Determination - Remuneration and Allowances for Holders of Part-time Public Office</b>	As signed	Paste-up
<b>2001/06</b>	<b>Principal Determination - Remuneration and Allowances for Holders of Full-time Public Office</b>	As signed	Paste-up
2001/05	Amending Determination - Remuneration and Allowances for Part-time Holders of Public Office	As signed	
2001/04	Amending Determination – Remuneration and Allowances for Full-time Holders of Public Office	As signed	
<b>2001/03</b>	<b>Principal Determination - Parliamentary Office Holders – Additional Salary</b>	As signed	Paste-up
2001/02	Amending Determination - Remuneration and Allowances for Various Public Offices and Members of Parliament	As signed	

2001/01	<b>Individual Determination - Remuneration, Allowances and Other Related Matters of the CEO of the CSIRO</b>	As signed	Paste-up
2001/01 - R	<b>Report on Ministers of State - Salaries Additional to the Basic Parliamentary Salary</b>	As signed	Paste-up
2000/17	Amending determination – Travelling Allowance Rates	As signed	
2000/16	Amending determination – Remuneration for Holders of Public Office	As signed	
2000/15	<b>Individual Determination - Remuneration and Allowances of the Solicitor-General and Director of Public Prosecutions</b>	As signed	Paste-up
2000/14	Amending Determination - Remuneration and Allowances for Various Public Offices and Members of Parliament	As signed	
2000/13	<b>Principal Determination - Judicial and Related Offices – Remuneration and Allowances</b>	As signed	Paste-up
2000/12	Amending Determination - Remuneration and Allowances for Holders of Public Office	As signed	
2000/11	Amending Determination – Parliamentary Allowances for Expenses of Office	As signed	
2000/10	Amending Determination - Remuneration and Allowances for Holders of Public Office	As signed	
2000/09	Amending Determination - Remuneration and Allowances for Holders of Public Office	As signed	
2000/08	Amending Determination - Remuneration and Allowances for Holders of Public Office	As signed	
2000/07	Amending Determination - Remuneration and Allowances for Holders of Public Office	As signed	
2000/06	<b>Principal Determination - Travel Allowance Rates</b>	As signed	Paste-up

# Note about on-line availability of documents

Like legislation, Tribunal determinations are amended from time to time. Current principal determinations are available in “paste-up” or consolidated form as shown above, in hypertext markup (html). Signed copies of determinations, which provide formal authority to pay, are also available in portable document format (pdf). To view these files you need Adobe Acrobat reader version 4 or higher, free from Adobe.