



REMUNERATION TRIBUNAL

Statement on 2000 Review of Remuneration and Allowances for Full-time Public Office Holders:

1. The Remuneration Tribunal has inquired into and determined the remuneration and significantly related conditions for public office holders, as required under sub-sections 7(3) and (4) of the *Remuneration Tribunal Act 1973*. This Statement provides advice on the outcome of this review.

Application

2. This determination has effect on and from 31 March 2000 and amends the Principal Determination, 1999/05.

Review Process

3. In undertaking this review and deciding on an appropriate adjustment, the Tribunal has taken into account many factors including (but not limited to):
 - key economic indicators;
 - specific indicators such as Average Weekly Ordinary Time Earnings (AWOTE);
 - wage outcomes in the public and (to a lesser degree) private sector; and
 - decisions of the Australian Industrial Relations Commission (AIRC).

Average weekly ordinary time earnings (AWOTE) for full time adult employees were \$763.20 in November 1999, an increase of 3.0% over the previous year. Senior executive salaries in the public sector averaged growth of some 4.0% during the same period.

Since March 1998, the base salaries of full-time public office holders increased by a total of approximately 7.5%. In 2000, the Tribunal has awarded an increase in base salary of 3.2%, which is similar to the projected growth in AWOTE for the period since the Tribunal last examined these offices and to the outcomes delivered in the public sector generally.

Future Directions

4. The introduction of the *Public Service Act 1999* and the *Public Employment (Consequential and Transitional) Act 1999* have impacted on how some public office holders' remuneration is set in the future. These reforms have allowed the Remuneration Tribunal to establish a classification structure, within which public office holders designated as Principal Executive Offices (PEO's) and their employing bodies can directly engage in wage bargaining within certain parameters determined from time to time by the Remuneration Tribunal.

These changes are designed to provide greater flexibility to office holders in line with arrangements for most other public sector employees and in line with contemporary workplace relations practice.

The Government is currently considering which offices will become PEO's. Translation into the new framework will require the Government to prescribe

regulations to designate offices as PEOs under section 4(ra) of the *Remuneration Tribunal Act 1973*, where an office's enabling legislation permits this to occur. Details of the structure can be found in the Tribunal's Determination 1999/15.

The Tribunal expects that most public office holders will move into the structure, and for office holders to enter into direct negotiations with their employing bodies on matters relating to remuneration after this occurs. As a result, it has steered a moderate course in making the adjustment to public office holder salaries. The Tribunal expects to undertake a more comprehensive review for those offices remaining in its determining jurisdiction, including examination of the way in which their remuneration is structured and provided when it next examines full-time public office holders.

More Information

5. Determination 2000/05 will be tabled in parliament, as required by sub-section 7(7) of the Remuneration Tribunal Act 1973. It will also be made available on the Tribunal's web-site at: www.dofa.gov.au/remtribunal.