



## REMUNERATION TRIBUNAL

### Statement on 2001 Review of Remuneration and Allowances for Full-time Holders of Public Office.

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 Statement accompanies Remuneration Tribunal Determination 2001/06 which replaces the Principal Determination 1999/05 - Full-time Holders of Public Office – Remuneration and Allowances. Effective from 5 April 2001, the Determination provides full-time public office holders with an increase to their fees.

#### Review Process

3. In undertaking this review and deciding on an appropriate adjustment, the Tribunal has taken into account factors including (but not limited to):
  - key economic indicators;
  - specific indicators such as the Wage Cost Index (WCI) series;
  - wage outcomes in the public and (to a lesser degree) private sector; and
  - the principles of wage determination and decisions of the Australian Industrial Relations Commission (AIRC).
4. In previous years, the Tribunal has used the Australian Bureau of Statistics' (the ABS) Average Weekly Ordinary Time Earnings (AWOTE) index as its principal indicator of wage movement. In February 2001, the ABS announced that it was replacing AWOTE with the WCI as its principal wages indicator. The Tribunal has considered the rationale for the change and agrees that the WCI is a more appropriate source of data and has therefore agreed also to adopt it as its principal indicator of wage movement.
5. In 2001, the Tribunal has awarded an increase in base salary of 3.4%. This will have delivered to office holders an effective increase in their base salary of 13.7% over the five-year period to March 2001.

#### Future Directions

6. As reported in last year's Statement, 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 to be set in the future.

7. This has allowed the Remuneration Tribunal to establish a classification structure within which certain public offices that have been designated as Principal Executive Offices (PEOs) and their employing bodies can directly engage in wage bargaining within parameters determined from time to time by the Remuneration Tribunal. The reforms also provide greater remuneration flexibility for office holders in line with contemporary remuneration practice in both the public and private sectors.
8. The Government is currently “migrating” offices into the PEO Structure in consultation with the Tribunal. This involves the Government prescribing regulations that designate offices as PEOs under section 3(4)(ra) of the *Remuneration Tribunal Act 1973*. The Tribunal expects that the majority of full-time holders of public office will move into the structure. Details of the structure can be found in the Tribunal's Determination 1999/15.
9. The Tribunal expects to undertake a more comprehensive review of those offices remaining in its determining jurisdiction, including examination of the way in which their remuneration is structured and provided during this calendar year.

#### **More Information**

10. Determination 2001/06 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](http://www.dofa.gov.au/remtribunal).

April 2001