

**REMUNERATION TRIBUNAL  
ANNUAL REPORT  
2006-07**

© Commonwealth of Australia 2007

ISSN 0728-7216

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the Copyright Act 1968, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>



## REMUNERATION TRIBUNAL

2 October 2007

The Hon Joe Hockey MP  
Minister for Employment and Workplace Relations  
Parliament House  
CANBERRA ACT 2600

Dear Minister

We have pleasure in presenting to you the Remuneration Tribunal's Annual Report for 2006-2007. The report covers the activities of the Tribunal during the year ended 30 June 2007.

Section 12AA(2) of the Remuneration Tribunal Act 1973 requires you to cause a copy of this report to be laid before each House of Parliament within 15 Sitting days of receipt.

Yours sincerely

Handwritten signature of John C Conde in cursive.

John C Conde AO  
PRESIDENT

Handwritten signature of Janet E Grieve in cursive.

Janet E Grieve  
MEMBER

Handwritten signature of John D C Allen in cursive.

John D C Allen  
MEMBER

# TABLE OF CONTENTS

<b>Overview .....</b>	<b>1</b>
<b>1. Introduction to the Tribunal.....</b>	<b>4</b>
<b>2. Membership of the Tribunal.....</b>	<b>4</b>
<b>3. The Work of the Tribunal.....</b>	<b>5</b>
3.1 <i>Full-Time Public Office Holders .....</i>	<i>5</i>
3.2 <i>Part-Time Public Office Holders.....</i>	<i>6</i>
3.3 <i>Principal Executive Offices.....</i>	<i>7</i>
3.4 <i>Judicial and Related Offices .....</i>	<i>9</i>
3.5 <i>Ministerial and Parliamentary .....</i>	<i>11</i>
3.6 <i>Official Travel.....</i>	<i>13</i>
3.7 <i>Advisory Functions .....</i>	<i>13</i>
<b>4. Financial Matters .....</b>	<b>14</b>
<b>5. Consultancies.....</b>	<b>14</b>
<b>6. Legislative Requirements .....</b>	<b>14</b>
6.1 <i>Occupational Health and Safety (Commonwealth Employment) Act 1991 .....</i>	<i>14</i>
6.2 <i>Advertising and Market Research (Commonwealth Electoral Act 1918).....</i>	<i>14</i>
6.3 <i>Environment Protection and Biodiversity Conservation Act 1999.....</i>	<i>14</i>
6.4 <i>Freedom of Information Act 1982.....</i>	<i>14</i>
6.5 <i>Legislative Instruments Act 2003.....</i>	<i>14</i>
<b>Appendix 1 - List of Determinations and Reports for 2006-07.....</b>	<b>15</b>
<b>Appendix 2 - Variation to Bodies/Offices in 2006-07.....</b>	<b>16</b>
<b>Appendix 3 - Secretariat.....</b>	<b>18</b>
<b>Appendix 4 – Freedom of Information Act 1982 .....</b>	<b>19</b>
<b>Appendix 5 - Corrections to 2005-2006 Annual Report.....</b>	<b>21</b>

## Overview

The Tribunal's principal responsibility is to inquire into and determine, or report on, the remuneration and allowances to be paid to holders of public offices (including parliamentary offices) at least annually.

In meeting this responsibility, the Tribunal conducts general reviews of groups of offices in its jurisdiction, as well as reviews of individual offices. The Tribunal's practice is to determine an annual adjustment in the remuneration of each office in its jurisdiction. This year, the Tribunal determined a general increase of 4.2% with effect from 1 July 2007. In my comments last year, I outlined the considerations that the Tribunal takes into account in settling an annual adjustment.

The Tribunal gives effect to its decisions by making determinations. Tribunal Determinations are "legislative instruments" in the terms of the *Legislative Instruments Act 2003*, and are entered into the Federal Register of Legislative Instruments. The Register can be accessed at [www.frli.gov.au](http://www.frli.gov.au). The Tribunal has its own web site - [www.remtribunal.gov.au](http://www.remtribunal.gov.au) - where copies of current (and many previous) Determinations may be found. In 2006/2007, 23 Tribunal Determinations were registered and published on the Tribunal's web site.

The *Legislative Instruments Act 2003* continues the pre-existing power of the Parliament to disallow not only whole legislative instruments, but also provisions of them. In short, a Tribunal Determination, or part of it, can be disallowed by the Parliament.

Determinations vary considerably in their scope. Determination 2007/06, for example, deals with the remuneration of three full-time offices and several part-time offices. By contrast, Determination 2007/10 and Determination 2007/13 applied the Tribunal's annual adjustment to the remuneration of all part-time and full-time offices in the Tribunal's jurisdiction.

Determination 2007/04 and Determination 2007/08 related to the Principal Executive Office classification structure. Neither Determination varied the remuneration of any individual Principal Executive Office directly. Rather, each afforded the employing body concerned the scope to vary the remuneration of the relevant offices, consistent with parameters set by the Tribunal.

The Tribunal's 2005/2006 Annual Report mentioned the way in which the base salary of parliamentarians is set. In short, their base salary is linked to a specific pay point in the Tribunal's PEO classification structure.

It is not clear to the Tribunal that the current means of setting parliamentarian's base salary is well understood. Until the enactment of the *Remuneration and Allowances Act 1990*, the Tribunal determined base salary. The *Remuneration and Allowances Act 1990* removed the Tribunal's power and linked base salary to the salary of Band 1 officers in the Senior Executive Service of the Australian Public Service (APS SES). Legislation enacted in 1994 linked base salary to the minimum SES Band 2 salary level.

A formal role for the Tribunal in the determination of base salary was restored in December 1999. Legislative changes then gave the Tribunal the role of providing advice to the Minister for Finance and Administration on an appropriate base salary. It was a matter for the Government whether the Tribunal's advice was accepted or rejected.

The Tribunal was also asked to advise on means of adjusting base salary in future. The Tribunal recommended, in its December 1999 Report, that the Government adopt a reference rate in Band 1 of its newly established PEO structure<sup>1</sup>. At that stage, base salary had not been adjusted for three years.

The proposed reference salary at that time was \$90,000. The Government adopted the Tribunal's recommendation; the link established by regulation has continued since.

It is relevant to note that the Tribunal, in its 1999 Report, observed that the base salary for SES Band 2 officers at the first quartile (25%) point was around \$102,000 per annum. The most recent APS SES remuneration survey (as at 31 December 2006) indicated that base salary for SES Band 2 officers, at the

---

<sup>1</sup> The Tribunal's 1999 Report can be found at - <http://www.remtribunal.gov.au/determinationsReports/byyear/1999dets/1999-ReportMP.pdf>

minimum and first quartile levels, was \$126,860 and \$157,000 respectively<sup>2</sup>. These data suggest that base salary - currently \$127,060 - has slipped as a proportion of the first quartile SES Band 2 salary compared with the position at the time the link was first proposed.

In the Tribunal's view, formal linkages of the kind that have governed parliamentarians' base salary since 1999 have advantages and disadvantages. Adjustments to parliamentarians' remuneration invariably attract criticism whatever the quantum. The now long-standing linkage to one public sector office, or pay point, at least ensures that adjustments are made regularly.

The singular disadvantage of such a linkage is that there is no separate evaluation of the unique work of parliamentarians and, consequently, no assessment of the monetary value that should be placed upon it. The Tribunal considers it important that the roles and responsibilities of federal parliamentarians be reviewed regularly - whether, or not, a linkage of the current kind is maintained.

The Tribunal's December 1999 report also responded to the Government's request that it review and report on the additional salary for ministers and parliamentary office holders. Under the *Remuneration Tribunal Act 1973*, the Tribunal reports on, but does not determine, the additional salary of ministers. In contrast, the Tribunal determines the additional salary of parliamentary office holders. The Tribunal proposed that the additional salary for these offices be expressed as a percentage of the parliamentary base salary.

This approach was adopted. The percentages then established have not since been varied. However, it would seem that, in relative terms, ministerial remuneration may have fallen behind. The question of whether, or not, the relativities established in 1999 continue to be appropriate is of interest to the Tribunal.

#### Specified Statutory Officers

The Tribunal is responsible for determining the remuneration of a significant group of public offices that have been considered, for some time, to be similar to departmental secretaries. This group of offices - referred to as the Specified Statutory Officers (SSO) - includes the Chief of the Defence Force, the Commissioner for Taxation, the Auditor-General for Australia, the Chief Executive Officer of Customs and the Australian Statistician. The remuneration of these offices has not been reviewed separately for some time.

The responsibilities of many public offices vary, over time, as governments look to them to take responsibility for new and revised measures emerging through legislation and the on-going processes of policy development. Noting that the former alignment between the remuneration of these offices and that of departmental secretaries was varied in 2006, the Tribunal intends to undertake a review in the year ahead.

#### The Federal Judiciary

Determination 2007/11 adjusted the remuneration of judicial and related offices by 4.2%. The Tribunal issued a statement in conjunction with this Determination, noting that submissions have been sought on a number of matters in connection with the review.

The Tribunal last conducted a detailed review of the remuneration of the federal judiciary in 2001/2002. The Tribunal's conclusions were set out in its statement of November 2002<sup>3</sup>. The work of the courts has continued to develop, as have the relationships between the courts. Such considerations, as well as aspects of the work undertaken by the Tribunal in the 2001/2002 review, will be considered further during 2007/2008.

The Tribunal has also sought the views of the principal officers of each of the federal courts about a range of matters, and distinctions between them.

#### Changes in the Responsibilities of Public Offices

This year, the Report includes a list of offices removed from Tribunal Determinations. When an office is established, the Tribunal's views will be sought on appropriate remuneration. In the Tribunal's experience, it is not always the case that the abolition of an office, or the diminution of the responsibilities of an office, is

---

<sup>2</sup> The 2006 APS Remuneration Survey can be accessed through <http://www.workplace.gov.au/workplace/Organisation/Government/Federal/Reports/2006APSRemunerationSurvey.htm>

<sup>3</sup> The Tribunal's statement can be accessed at: <http://www.remtribunal.gov.au/determinationsReports/byYear/2002dets/2002-21Statement.pdf>

drawn promptly to its attention. The remuneration fixed for an office should take into account material changes in its responsibilities, whether increased or decreased. The Tribunal intends to seek regular advice from portfolio departments about such changes.

### Conclusion

In 2006/2007, as in previous years, the Tribunal had the benefit of discussions with a range of office holders. Such discussions are an important complement to the understanding that the Tribunal derives from receiving written submissions. They also enable the Tribunal to develop its understanding of longer term developments in the work of office holders and in the responsibilities of the public and parliamentary institutions that make up the fabric of federal government. I observed last year that it would be difficult for the Tribunal to undertake its work effectively without the insights derived from such discussions and I take this opportunity again to express the Tribunal's appreciation to office holders for the contributions that they have made to our work.

The Tribunal cannot function effectively without a capable Secretariat and we thank the Secretary and all staff in the Secretariat for their continuing highly professional work and support.

Finally, I thank my colleagues on the Tribunal for the significant time devoted to the Tribunal's work.

John C Conde AO  
President

## 1. Introduction to the Tribunal

The Remuneration Tribunal is an independent statutory authority established under the *Remuneration Tribunal Act 1973* (the Act) responsible, primarily, for inquiring into and determining, or reporting on, the remuneration and allowances to be paid to holders of public offices (including parliamentary offices) at least annually.

In undertaking its work, the Tribunal takes into account the attributes of the job; appropriate relativities; considerations related to job complexity, merit and productivity; and a range of indicators of movements in remuneration. The Tribunal aims to develop remuneration arrangements that are flexible and broadly consistent, having regard to the particular nature, and range, of offices in its jurisdiction.

This year, the Tribunal determined in June 2007 that an adjustment of 4.2%, effective 1 July 2007, was appropriate for offices in its jurisdiction.

## 2. Membership of the Tribunal

The Tribunal consists of three part-time members who are appointed by the Governor-General.

The current members of the Tribunal are:

**Mr John Conde AO** – President - appointed on 25 June 2003 for five years. Mr Conde was originally appointed as a member of the Remuneration Tribunal on 18 June 1998. Mr Conde is the Chairman of Energy Australia, MBF Australia Limited and Whitehaven Coal Limited. He is Chairman of Sydney Symphony Limited and a member of the Grant Samuel Advisory Board. He also holds positions on the boards of the NSW Corporate Committee of the Australian Olympic Committee, and the Australian Elizabethan Theatre Trust.

**Ms Janet Grieve** – appointed on 12 April 2005 for five years. Ms Grieve was originally appointed as a member of the Tribunal on 12 April 2000. Ms Grieve is Chairman of Michels Warren Pty Ltd, a Director of Flinders Technologies Pty Ltd, and a member of the Information Economy Advisory Board advising the South Australian Government. Ms Grieve has sat formerly on a number of industry and government boards.

**Mr John Allen** – appointed on 27 August 2003 for five years. Mr Allen is Principal of John Allen & Associates, Chairman of the Australian Government Solicitor Advisory Board and a member of the Council of Leadership Victoria (The Williamson Community Leadership Program). Previously for the Victorian State Government he has sat on a hospital board and chaired a law reform committee.

### 3. The Work of the Tribunal

During the year, the Tribunal held 21 meetings, including 13 out-of-session meetings, to consider and determine matters, and, in doing so, met with a range of interested parties. The Tribunal considered approximately 133 briefings and expressed its conclusions in 23 Determinations.

#### 3.1 Full-Time Public Office Holders

##### **The Framework**

Under the Act, the Tribunal is responsible for setting the total remuneration, some allowances and recreation leave for holders of full-time public office.

The Act defines 'public office'. The definitions include '*...an office established by, or an appointment made under, a law of the Commonwealth ...*' (s3). The Tribunal inquires into and determines remuneration and 'significantly related' matters for holders of public office (under s7). The Act specifies that the Tribunal determine matters at intervals of not more than one year (s8).

At the end of the reporting period there were 82 full-time offices for which the Tribunal determined remuneration; they are listed in Determination 2007/13.

Determination 2007/13 reflects the Tribunal's decision to increase the remuneration of full-time offices by 4.2% with effect from 1 July 2007. The previous increase for these offices - implemented in two steps through Determinations 2006/06 and 2006/13 with effect from 1 July 2006 - was 4.4%.

While the Act obliges the Tribunal to review the remuneration of each office at least annually, the circumstances relevant to the remuneration of any office may vary during the year. For example, the responsibilities of an existing office may change or new appointments may be made. New offices may also be established. The Tribunal is prepared to consider submissions based on such factors at any time. A good part of its work arises from such submissions; the determinations made during the year reflect this.

The Tribunal intends to review the way in which superannuation salary is expressed for full-time office holders. One possible approach would be to adopt the arrangements applying to Principal Executive Offices, whereby salary for superannuation purposes is expressed as a common, maximum, proportion of total remuneration.

##### Specified Statutory Officers

The Tribunal is responsible for determining the remuneration of a significant group of full-time public offices whose remuneration is broadly equivalent to that of departmental secretaries. This group of offices - referred to as the Specified Statutory Officers (SSO) - includes the Chief of the Defence Force, the Commissioner of Taxation, the Auditor-General, the Chief Executive Officer of Customs and the Australian Statistician. The remuneration of these offices was increased by 4.2% with effect from 1 July 2007 by Determination 2007/12.

The Tribunal has not reviewed separately the remuneration of this group of offices for some time. It intends to do so in the year ahead.

## 3.2 Part-Time Public Office Holders

### The Framework

Part-time public offices are diverse. They include the chairmen and members of boards, councils, committees and administrative tribunals whose work may be regular or intermittent.

The Act defines 'public office'. The definitions include '*...an office established by, or an appointment made under, a law of the Commonwealth ...*' (s3). The Tribunal inquires into and determines remuneration and 'significantly related' matters for holders of public office (under s7). The Act specifies that the Tribunal is to determine matters at intervals of not more than one year (s8).

The effectiveness of a wide range of government agencies and authorities depends heavily upon the work of those appointed to part-time offices.

Tribunal Determination 2007/10, made in June 2007, lists the part-time offices in the Tribunal's jurisdiction and the fees determined for them. The Determination also gave effect to the Tribunal's general increase of 4.2% for these offices. The considerations that underpin the fixing of remuneration for full-time offices are also relevant to determining fees for part-time offices.

It is evident from the Determination that remuneration arrangements for this group of public offices are the most varied of those determined by the Tribunal. Fees may be expressed as annual or daily amounts, the latter approach tending to be adopted in circumstances in which the workload of an office is variable or sessional.

The Determination refers to over 250 organisations. In general, each organisation has several offices within the Tribunal's jurisdiction. For example, the typical board of such an organisation – like the boards of enterprises in the private sector - consists of a chairman and several members. Overall, the Tribunal determines remuneration for well over a thousand individual part-time offices.

It is not unusual, during any year, for new bodies to be established and other bodies to be abolished. Appendix 4 lists such changes amongst the population of part-time bodies in the Tribunal's jurisdiction. Amendments to the Determination reflected the deletion of 33 obsolete or defunct organisations; the addition of six bodies; and changes to the names of nine bodies.

During the reporting period, the Tribunal undertook a substantial review of remuneration for offices in those bodies which provide a non-judicial avenue for the review of administrative decisions. Such bodies include the Administrative Appeals Tribunal; the Migration Review and Refugee Review Tribunals; the Superannuation Complaints Tribunal; the Social Security Appeals Tribunal; and the Veterans' Review Board. The fees of some 24 part-time offices were adjusted as a result.

The Tribunal intends to meet with the chairmen of a range of boards in the year ahead, to discuss the demands of their offices and the associated remuneration arrangements.

### 3.3 Principal Executive Offices

#### The Framework

The Act provides for the Tribunal to determine a classification structure for Principal Executive Offices [s5(2a)] and to determine the terms and conditions applicable to each classification within the classification structure [s7(3D)].

The Minister may declare a specified office to be a Principal Executive Office (PEO) and the classification to which the PEO is assigned, having taken the Tribunal's advice on these matters into account [s3(a)].

The Minister for Employment and Workplace Relations as the Minister responsible for the Act, may also declare the employing body for the office [s3(b)].

The relevant employing body is responsible for determining the terms and conditions applying to a PEO. Any such determination must be consistent with the terms and conditions determined by the Tribunal for the classification of the office concerned [s12C] and the Tribunal's Guidelines.

These arrangements afford employing bodies a more direct role in determining the remuneration of the office holders concerned, who tend to be the Chief Executive Officers of the relevant agencies.

PEOs include the CEOs of government business enterprises such as Australia Post, Medibank Private Ltd and the Export Finance and Insurance Corporation; the heads of agencies such as Comcare, the Australian War Memorial, Health Services Australia; and the managing directors of bodies such as the Australian Institute of Health and Welfare, the Australian Institute of Sport, the National Gallery of Australia, the Australian Broadcasting Corporation, and the Special Broadcasting Service. A full list of Principal Executive Offices can be found on the Tribunal web site at [www.remtribunal.gov.au/principalExecutiveOffices/currentDetermination/listPEO.asp](http://www.remtribunal.gov.au/principalExecutiveOffices/currentDetermination/listPEO.asp)

#### Review of the PEO Structure

The Tribunal finalised a review of the PEO structure in December 2005. In keeping with the Tribunal's view that the structure established in 1999, and associated terms and conditions, continued to operate effectively, the Tribunal maintained the existing five Band structure, and continued the linkage between remuneration, productivity improvement and individual performance.

The key outcomes of the review were:

- commencing in 2005-06, the establishment of a total remuneration reference rate for each PEO to serve as the basis on which an employing body will be able to exercise discretion in determining remuneration, with the reference rate being adjusted annually to reflect the outcome of the Tribunal's annual review;
- discretion for employing bodies to make adjustments above and below the total remuneration reference rate, as prescribed by the Tribunal. Commencing in the 2005-06 financial year, the Tribunal determined that employing bodies could make adjustments of up to an additional 1.25% above the 2005-06 reference rate, increasing up to 2.5% above the 2006-07 reference rate for the 2006-07 financial year, and up to 10% below the reference rate;
- except where the employing body obtains the Tribunal's approval, for the first twelve months of a new appointee's term, total remuneration is not to exceed the reference rate; and
- the maximum 'at risk' performance pay for Bands D and E increased from 15% to 20% of total remuneration; the performance pay maximum for other Bands remained at 15%.

At 30 June 2007, there were 100 offices within the Principal Executive Office (PEO) structure. The Tribunal considered 22 submissions on remuneration and conditions for new and existing PEOs during the year.

## **Increase in Discretionary Range**

One of the outcomes from the Tribunal's review of the PEO structure was the provision of additional scope for employing bodies to exercise their discretion in varying remuneration for a Principal Executive Office above the reference rate.

The Tribunal, in its May 2006 Statement on the outcome of the review, stated that:

*Consistent with the provision of the additional scope for employing bodies to exercise their discretion, the Tribunal has determined a 2.5 per cent (rounded up) adjustment to the maximum of the salary bands in the PEO structure, with effect from 1 July 2006:*

- *this variation reflects the two increments in discretion - 1.25 per cent each - totalling 2.5 per cent available to employing bodies for 2006-07 - as reflected in Determination 2006/09.*

*The Tribunal will make similar adjustments in future to accommodate the additional 2.5 per cent discretion arising from the review.*

The President, in his Overview to the Tribunal's 2005-2006 Annual Report, observed that:

*Perhaps the most significant initiative was the Tribunal's decision to provide employing bodies with additional discretion, consistent with the intent of the PEO arrangements, to determine remuneration above a "reference rate" established by the Tribunal for each office. The Tribunal intends to increase that discretion (now 2.5%) to 5%.*

On 7 May 2007, the Tribunal made Determination 2007/04 incorporating the final 2.5% component of additional discretion. It did so by increasing the band maxima, and reference salaries, of the PEO structure by that amount, with effect from 1 July 2007. In taking this step, the Tribunal completed the implementation of the outcomes of its review of the PEO structure.

## **2007 Review of the PEO Classification Structure and Reference Rates**

Tribunal Determination 2007/08 increased the band maxima and reference salaries of the PEO classification structure by 4.2%, consistent with the Tribunal's general increase of 4.2%.

In finalising the PEO review, the Tribunal indicated that each financial year, it would adjust the total remuneration reference rate for each PEO to reflect the outcome of its annual review and advise the relevant employing body accordingly. Accordingly, the Tribunal wrote to employing bodies and PEOs in June 2007 advising them of the reference rates to apply for 2007-08. In general, the revised reference rate for a PEO reflected an increase of 4.2% above its 2006-07 reference rate.

### 3.4 Judicial and Related Offices

#### **The Framework**

The Tribunal has the power, under the *Remuneration Tribunal Act 1973*, to determine remuneration and associated entitlements for the federal judiciary, administrative tribunals and related offices in those organisations.

The extent of the Tribunal power varies between offices. Depending on the type of office concerned, remuneration may be expressed as base salary or as 'Total Remuneration'. Associated entitlements may include: the value attributed to the Commonwealth's superannuation contributions or superannuation support, travelling allowance, Commonwealth and private vehicle costs, recreation leave, separation benefits, lump sum payments, other benefits received by way of remuneration packaging; and minimum annual fees for part-time office holders.

#### The Judiciary

The Tribunal determines base salary and related benefits for the Chief Justices and Justices of the High Court, Federal Court and Family Court; the Chief Federal Magistrate and Magistrates of the Federal Magistrates Court of Australia; and Judges who sit as Presidents of an Administrative Tribunal (see below). The Tribunal also determines recreation leave entitlements (but not other leave entitlements) for Federal Magistrates.

In determining remuneration for judges, the Tribunal is mindful of sub-section 72(iii) of the Constitution, which prohibits diminution of a judge's remuneration while the judge remains in office.

#### Administrative Tribunals

The Tribunal determines remuneration and related benefits for the non-judicial Presidents, Deputy Presidents and Members of tribunals such as the Copyright Tribunal, the Australian Competition Tribunal, the Australian Law Reform Commission and the National Native Title Tribunal.

#### Related Offices

The Tribunal determines remuneration and related benefits for a range of non-judicial positions in the courts, including the chief executives of the High Court, Federal Court, Family Court and Federal Magistrates Court of Australia. Remuneration for these offices is expressed as "Total Remuneration".

#### Entitlements Outside the Tribunal's Determinative Powers

The Tribunal does not determine the entire range of employment provisions available for these offices. They may also receive other entitlements outside the Tribunal's determinative powers, for instance under:

- legislation administered by the Commonwealth Attorney-General, including: the *Judges' Pensions Act 1968*, the *Judicial and Statutory Officers (Remuneration and Allowances) Act 1984*, and the *Judges (Long Leave Payments) Act 1979*;
- general Commonwealth laws concerned with employment, such as the *Long Service Leave (Commonwealth Employees) Act 1979*; and
- the authority of the relevant federal court, tribunal or administering government department.

## **Annual Review of Judicial and Related Offices' Remuneration**

A number of issues outstanding from the 2006 review were finalised in 2006/2007. Determination 2006/19 increased the base salary of the Federal Magistrates Court Chief Executive Officer to 70% of total remuneration and increased the base salary of Members, Senior Members and Deputy Presidents of the Administrative Appeals Tribunal (AAT) by 5, 4 and 3% respectively.

The Tribunal commenced its annual review of the remuneration of judicial and related offices in February 2007. Thirteen written submissions were received in response to letters of invitation sent to relevant Ministers and to all courts and tribunals with offices covered by the Judicial and Related Offices' Determination. The Tribunal also held discussions with a number of office holders.

The Tribunal decided to undertake the 2007 review in two parts as the issues raised in some of the submissions appeared to be substantial and, in the Tribunal's judgment, required careful consideration and engagement with the courts and offices concerned. The first part of the review provided a general increase of 4.2% to all office holders under the Determination. The Tribunal issued Determination 2007/11 on 12 June 2007, with effect from 1 July 2007. The Determination also indexed the annual retainer for Australian Competition Tribunal (ACT) members for each year since 1999 and increased a number of allowances and loadings that apply to specific judicial and related offices.

The second phase of the review is continuing. The Tribunal has sought clarification from relevant bodies including:

- further particulars from the Federal Magistrates Court about developments in its jurisdiction and workload since its establishment;
- inviting the courts to make submissions about aspects of their respective jurisdictions, workloads and other factors relevant to relativities; and
- inviting the court chief executives to provide further information relevant to their claim for the alignment of remuneration between the four offices involved.

In May 2007 the Tribunal convened a meeting of the Commonwealth/State Judicial Remuneration Coordination Group to discuss issues relevant to the remuneration of the judiciary across all jurisdictions.

## 3.5 Ministerial and Parliamentary

### The Framework

The *Remuneration and Allowances Act 1990* provides that the Tribunal may be required to report to the Government on the annual salary to be paid to Members of the Parliament.

The Tribunal also has the power, under the *Remuneration Tribunal Act 1973*, to inquire into and to either report to the Minister on, or determine, additional salaries and allowances paid to ministers and parliamentary office holders.

### Base Salary

In 1999, the Tribunal was asked by the Government to report on parliamentarians' base salary and to identify a reference salary and mechanism for adjustment. The Government, and subsequently both Houses of Parliament, accepted the Tribunal's recommendation that the reference salary be Reference Salary A in Band A of the Principal Executive Office structure. This recommendation was given effect by the *Remuneration and Allowances Regulations 1999*.

### Additional Salary for Ministers and Parliamentary Office Holders

The Tribunal reports annually to the Minister on the additional salary of ministers of state. The actual salaries are a matter for decision by Executive Government.

The Tribunal determines the additional salary for holders of 58 parliamentary offices such as the Leader and Deputy Leader of the Opposition, the Presiding Officers, Whips, and the Chairs and Deputy Chairs of various parliamentary committees.

### Other Allowances and Entitlements

The Tribunal also determines a range of allowances and entitlements for Federal Senators and Members (including Ministers). These include travelling allowance rates and travel-related provisions (eg travel on scheduled domestic flights, car transport and overseas study travel), electorate allowance, qualifying periods for Life Gold Pass, severance travel (for those not qualifying for Life Gold Pass), and certain office facilities.

### Entitlements Outside the Tribunal's Determinative Powers

The Tribunal does not determine the entire range of entitlements available for Members of Parliament. Matters relating to the provision of support for Senators and Members of Parliament that are not within the jurisdiction of the Tribunal are decided by the Government, through the Special Minister of State, or the Parliament. The following Acts are relevant in this regard:

- *Parliamentary Allowances Act 1952;*
- *Ministers of State Act 1952;*
- *Parliamentary Contributory Superannuation Act 1948;*
- *Members of Parliament (Staff) Act 1984;*
- *Parliamentary Entitlements Act 1990;*
- *Remuneration and Allowances Act 1990;*
- *Members of Parliament (Life Gold Pass) Act 2002; and*
- *Parliamentary Superannuation Act 2004.*

### Base Salary

Reference Salary A in Band A of the Principal Executive Office (PEO) classification structure was \$118,950 per annum on 1 July 2006 (Determination 2006/11).

Following a structural adjustment of 2.5% determined for PEOs on 7 May 2007 (Determination 2007/04), the Tribunal made Determination 2007/08 on 12 June 2007 implementing its annual review decision of a 4.2% increase for the PEO structure, with effect from 1 July 2007, after the reporting year. Application of the two adjustments increased Reference Salary A to \$127,060 per annum.

By the operation of *Remuneration and Allowances Regulations 2005* (Select Legislative Instrument 2005 No. 308), the annual salary of a Member of Parliament is equal to Reference Salary A.

### **Additional Salary for Ministers and Parliamentary Office Holders**

As required by the Act, the Tribunal considered a range of parliamentary matters during 2006-07. In addition to the determinations noted above, on 17 October 2006 the Tribunal made its annual report on Ministers' additional salary (Report No 1 of 2006). The Report expresses the additional salaries of Ministers of State as percentages of the base salary of a Member of Parliament. The percentages established in 1999 were continued in Report No 1 of 2006.

On 17 October 2006 the Tribunal made Determination 2006/21 (subsequently amended by determination 2006/23) setting rates of additional salary for parliamentary office holders. This included initial determinations of additional salary for the Deputy Chairs of a number of parliamentary committees.

### **Allowances and Entitlements for Senators and Members**

Following a request from Government, the Tribunal reviewed the two determinations setting allowances and entitlements for Senators and Members. The Government proposed some substantive changes to travel allowances and entitlements but the bulk of the proposals were measures to improve the administration of existing provisions. The changes effected by Determination 2006/14: *Members of Parliament - Travelling Allowance* and Determination 2006/18: *Members of Parliament - Entitlements*, included:

- increased Charter Travel Allowance rate for MPs representing the largest electorates and the inclusion of the cost of driver hire as an allowable expense;
- a revised method of calculating the value of the overseas study travel entitlement and rationalisation of the way in which the discretion to approve such travel is vested; and
- an increase in the maximum number of overnight stays within the electorate for Senators and Members whose electorates are 10,000 km<sup>2</sup> or more in area.

In late June 2006, the Tribunal wrote to the Chief Whips of the Government and Opposition conveying the Tribunal's perspective on the changes made to various components of the remuneration package for MPs since a major review in 1999. These included significant changes to the parliamentary superannuation scheme and a decline in salary relativities with other public sector groups. The Tribunal noted its view that, in 2004, in recommending that the proposed new parliamentary superannuation scheme set the employer contribution rate at 15.4%, the Senate Finance and Public Administration Legislative Committee had "struck the appropriate balance".

In October 2006, the Government introduced legislation to increase the employer contribution for the Parliamentary Contributory Superannuation Scheme from 9% to 15.4% and subsequently requested the Tribunal to determine a Resettlement Allowance, in circumstances of involuntary retirement (through loss of endorsement and/or defeat at an election) for parliamentarians elected from 2004 onwards. After consultation and consideration of the matter, the Tribunal made Determination 2006/23 providing for an allowance equal to 12 weeks of the parliamentary base salary to be paid to parliamentarians in certain circumstances.

### 3.6 Official Travel

#### The Framework

Under the Act, the Tribunal is responsible for setting travel allowances for office holders within its jurisdiction.

The general provisions for non-parliamentary office holders are set out in a single determination. The determination provides for different tiers of travel entitlement. The various remuneration determinations specify the travel tier applicable to an office. They may also contain specific travel-related provisions for an office or a group of offices. Provisions for parliamentary office holders are set out in separate determinations.

In August 2006, the Tribunal determined new travelling allowance rates with a date of effect of 27 August 2006 (Determination 2006/15). This Determination amended the rates provided in Determination 2004/03 - *Official Travel by Office Holders* and Determination 2004/14 - *Members of Parliament - Travelling Allowance*.

Travel allowance and general travel provisions for parliamentary offices are set out in Determination 2006/14 - *Members of Parliament - Travelling Allowance*, and Determination 2006/18 - *Members of Parliament Entitlements*.

In adjusting the rates provided in the travelling allowance determinations, the Tribunal had regard for the rates in the Australian Taxation Office's *'Taxation Ruling for reasonable allowances amounts for the 2006-07 income year'*.

### 3.7 Advisory Functions

#### The Framework

The Tribunal is required under several Acts to provide advice before remuneration for a relevant office is determined by the relevant minister. The Tribunal provides advice under the *Public Service Act 1999* to the Prime Minister about the remuneration of departmental secretaries; to the Minister for Employment and Workplace Relations about the remuneration of the Public Service Commissioner and Merit Protection Commissioner; and to Agency Ministers about the heads of Executive Agencies, the Bureau of Meteorology, National Archives of Australia, CrimTrac, Insolvency and Trustee Service Australia, and the Office of Workplace Services; and to the Presiding Officers under the *Parliamentary Service Act 1999*.

In accordance with the requirements of the *Public Service Act 1999*, the Tribunal advised the Prime Minister about the remuneration of departmental secretaries. It also advised each of the relevant ministers about the remuneration and other conditions of Executive Agency Heads.

## **4. Financial Matters**

The Tribunal's financial requirements are met through the Department of Employment and Workplace Relations (DEWR), sub-program 2.2.7, "Secretariat to the Remuneration Tribunal". There is no separate form of accounts applicable to the Tribunal.

The Tribunal is supported by a Secretariat staffed by DEWR employees. Appendix 3 provides contact details for the Secretariat.

Financial reporting for the Tribunal can be found within the DEWR Annual Report.

## **5. Consultancies**

Morris Walker Pty Ltd (Morris Walker) continued to deliver media advisory services to the Tribunal. As reported last year, Morris Walker was selected, following a tender process, to provide such services for three years from 1 December 2004.

## **6. Legislative Requirements**

### **6.1 *Occupational Health and Safety (Commonwealth Employment) Act 1991***

The Tribunal Secretariat is provided by DEWR and is subject to its policies and practices in relation to occupational health and safety. Information about DEWR's policy is available in the DEWR Annual Report.

### **6.2 *Advertising and Market Research (Commonwealth Electoral Act 1918)***

The Tribunal did not undertake any advertising or market research activities in the reporting year.

### **6.3 *Environment Protection and Biodiversity Conservation Act 1999***

The Tribunal Secretariat is provided by DEWR and is subject to its policies and practices in relation to meeting the requirements of the *Environment Protection and Biodiversity Conservation Act 1999*. Information about DEWR's policy is available in the DEWR Annual Report.

### **6.4 *Freedom of Information Act 1982***

The Tribunal is subject to the provisions of the *Freedom of Information Act 1982* (FOI Act). No requests for access to documents under the FOI Act were received during the reporting year.

The information required to be published under Section 8 of the FOI Act is set out at Appendix 4.

### **6.5 *Legislative Instruments Act 2003***

Tribunal determinations are legislative instruments for the purposes of the *Legislative Instruments Act 2003* (the LI Act). Under the LI Act, Tribunal Determinations made after 1 January 2005 (the date of commencement of most provisions of the LI Act) have been provided to the Attorney-General's Department by the Tribunal for registration on the Federal Register of Legislative Instruments. The LI Act then requires the Attorney-General's Department to table a copy of the Determination in both houses of the Parliament within 6 sitting days of registration. Sub-section 7(8) of the *Remuneration Tribunal Act 1973* provides that either house, within 15 sitting days after the determination has been tabled, may pass a resolution 'disapproving' the determination.

## Appendix 1 - List of Determinations and Reports for 2006-07

During the reporting year, the Tribunal issued the following Reports, Determinations and Statements. Copies of these documents can be obtained from:

- the tabling offices of the Senate or the House of Representatives;
- the Tribunal's website [www.remtribunal.gov.au](http://www.remtribunal.gov.au); and
- the Federal Register of Legislative Instruments website [www.frli.gov.au](http://www.frli.gov.au)

2007/13*	Remuneration and Allowances for Holders of Full-Time Public Office
2007/12*	Specified Statutory Officers - Remuneration and Allowances
2007/11*	Judicial and Related Offices - Remuneration and Allowances
Statement	Review of Judicial and Related Offices' Remuneration
2007/10*	Remuneration and Allowances for Holders of Part-Time Public Office
2007/09*	Recreation Leave for Full-Time Holders of Relevant Offices
2007/08	Principal Executive Office (PEO) Classification Structure and Terms and Conditions
Statement	Review of Remuneration and Allowances for Holders of Public Office
2007/07*	Compensation for Loss of Office for Holders of Public Office
2007/06	Remuneration and Allowances for Holders of Public Office
2007/05	Remuneration and Allowances for Holders of Public Office
2007/04	Principal Executive Office (PEO) Classification Structure and Terms and Conditions
2007/03	Remuneration and Allowances for Holders of Public Office and Members of Parliament
2007/02	Remuneration and Allowances for Holders of Public Office
2007/01	Remuneration and Allowances for Holders of Public Office
2006/23	Remuneration and Allowances for Holders of Public Office and Members of Parliament
2006/22	Remuneration and Allowances for Holders of Public Office
Report 1	Report on Ministers of State - Salaries Additional to the Basic Parliamentary Salary
2006/21*	Parliamentary Office Holders - Additional Salary
2006/20	Remuneration and Allowances for Holders of Public Office and Members of Parliament
2006/19	Remuneration and Allowances for Holders of Public Office and Members of Parliament
2006/18*	Members of Parliament - Entitlements
2006/17	Remuneration and Allowances for Holders of Public Office
2006/16	Travelling Allowances for Members of the Australian Industrial Relations Commission
2006/15	Official Travel by Office Holders
2006/14*	Members of Parliament - Travelling Allowance

\* These documents are Principal Determinations

## **Appendix 2 - Variation to Bodies/Offices in 2006-07**

### **Full-Time Offices**

#### **New**

Aged Care Commissioner (replaced the Commissioner for Complaints);  
Law Enforcement Integrity Commissioner;  
Registrar of Aboriginal and Torres Strait Islander Corporations.

#### **No Longer Appearing in the Determination**

Commissioner for Complaints (replaced by the Aged Care Commissioner).

#### **Renamed**

Nil.

### **Part-Time Offices**

#### **New**

Australian Reward Investment Alliance (ARIA) Board;  
Defence Reserves Support Council;  
Owner-Driver Review Panel;  
Research Quality Framework Assessment Panels;  
Research Quality Framework Reference Committee;  
Telstra Sale Company Ltd.

#### **No Longer Appearing in the Determination**

After Hours Primary Medical Care Trials Steering Committee;  
Australian Dairy Corporation Selection Committee;  
Australian Institute of Family Studies, Board of Management;  
Australian Research Council Board;  
Australian Trade Commission (Austrade) Board;  
Award Review Taskforce;  
Casino Surveillance Authority of Christmas Island;  
Clinical Casemix Committee;  
Commonwealth Superannuation Scheme Board;  
Commonwealth Advisory Committee on Homelessness;  
Consultative Committee on Diagnostic Imaging;  
Copyright Law Review Committee;  
CSS - CSB Trustees No 2;  
Disability Services Advisory Committee (Qld);  
Expert Committee for Surgically Implanted Prostheses;  
General Practice Education and Training Consultative Group;  
General Practice Partnership Advisory Council;

Human Tissue Items and Other Medical Devices Committee;  
Medicare Benefits Advisory Committee;  
Marriage and Family Council;  
National Employment and Training Task Force;  
National Procurement Board;  
National Therapeutic Goods Committee, Subcommittee on Medical Devices;  
National Therapeutic Goods Committee, Subcommittee on the Australian Code of Good Manufacturing Practice;  
Nursing Homes Fees Review Committees of Enquiry;  
Pathology Services Advisory Committee;  
Public Sector Superannuation Board;  
Research Quality Framework Development Application Group;  
Specialist Recognition Advisory Committee;  
Specialist Recognition Appeal Committee;  
Stevedoring Industry Finance Committee;  
Tobacco Research and Development Corporation;  
Tobacco Research and Development Corporation Selection Committee.

**Renamed**

Medicare Services Advisory Committee: now Medical Services Advisory Committee;  
National Therapeutic Goods Committee, Subcommittee on Child Resistant Packaging: now Therapeutic Goods Committee, Subcommittee on Child Resistant Packaging;  
Cooperative Research Centres Committee Assessment Panels: now Cooperative Research Centres Appraisal Panels;  
Australian Heritage Council – Co-opted Commissioner: now Australian Heritage Council - Associate Member;  
Australian Research Council Expert Advisory Panels: now ARC College of Experts;  
National Disability Advisory Council: now National Disability and Carer Ministerial Advisory Council;  
PSS/CSS Reconsideration Advisory Committee: now ARIA Reconsideration Advisory Committee.

## **Appendix 3 - Secretariat**

The Tribunal is supported by a Secretariat staffed by officers of the Department of Employment and Workplace Relations.

The Secretary to the Tribunal is Mr Derren Gillespie.

The Secretariat can be contacted by writing to:

The Secretary  
Remuneration Tribunal Secretariat  
PO Box 281  
CIVIC SQUARE ACT 2608

Or via:

Phone: (02) 6121 7965  
Fax: (02) 6218 4056  
Email: [enquiry@remtribunal.gov.au](mailto:enquiry@remtribunal.gov.au)

Media inquiries should be directed to:

Ms Danielle Morris  
Morris Walker Pty Limited

Phone: (02) 6162 0021  
Fax: (02) 6162 0023  
Mobile: 0412 181 389  
Email: [dmorris@morriswalker.com.au](mailto:dmorris@morriswalker.com.au)

## **Appendix 4 – Freedom of Information Act 1982**

### **Establishment**

The Remuneration Tribunal is an independent statutory authority established under the *Remuneration Tribunal Act 1973* (the Act).

### **Organisation**

The Tribunal comprises three part-time members, one of whom is appointed as President.

### **Functions/Powers**

The Tribunal's role is to determine, report on or provide advice about remuneration, allowances and entitlements that are within its jurisdiction, for the following:

- full-time and part-time holders of various public offices;
- judicial and non-judicial offices of federal courts and tribunals;
- Principal Executive Offices; and
- Federal Parliamentarians, including Ministers and Parliamentary office holders.

There are a number of offices where the Tribunal provides advice to the employer, which then determines the remuneration.

The *Public Service Act 1999* requires the Minister to consult the Tribunal about the remuneration of offices before making a determination. These are:

- the Prime Minister for Secretaries of Departments;
- the Minister Assisting the Prime Minister for the Public Service in relation to the Australian Public Service Commissioner and the Merit Protection Commissioner; and
- the relevant Minister in respect of Australian Public Service Executive Agencies.

The *Parliamentary Service Act 1999* requires the Speaker of the House of Representatives and the President of the Senate to consult the Tribunal about the remuneration of the offices of Secretaries of the Parliamentary Departments, the Parliamentary Service Commissioner and the Parliamentary Service Merit Protection Commissioner prior to making a determination.

Under Section 11(1) of the *Remuneration Tribunal Act 1973*:

- (a) the Tribunal may inform itself in such manner as it thinks fit;
- (b) the Tribunal may receive written or oral statements;
- (c) the Tribunal is not required to conduct any proceeding in a formal manner; and
- (d) the Tribunal is not bound by the rules of evidence.

## Categories of Documents

Documents maintained by the Tribunal include:

- Determinations, Explanatory Statements and Reports made by the Tribunal;
- Minutes of Tribunal meetings and documents placed before meetings;
- Submissions from interested parties; and
- Files dealing with matters that have been referred to the Tribunal.

## FOI procedures and initial contact points

Formal FOI procedures for the Tribunal are managed by the Department of Employment and Workplace Relations. In the first instance persons wishing to gain access to documents relating to the work of the Tribunal should write to or contact the Secretary of the Tribunal at the following address:

The Secretary  
Remuneration Tribunal  
PO Box 281  
CIVIC SQUARE ACT 2608

Phone: (02) 6121 7965  
Fax: (02) 6218 4056  
Email: [enquiry@remtribunal.gov.au](mailto:enquiry@remtribunal.gov.au)

Media inquiries should be directed to:

Danielle Morris  
Morris Walker Pty Limited

Phone: (02) 6162 0021  
Fax: (02) 6162 0023  
Mobile: 0412 181 389  
Email: [dmorris@morriswalker.com.au](mailto:dmorris@morriswalker.com.au)

## **Appendix 5 - Corrections to 2005-2006 Annual Report**

### Corrections of Material Errors in Previous Annual Report

Page 4, second last paragraph in Section 3.1

- Omit "2006/03", substitute "2006/05"

Page 5, second last paragraph in Section 3.2

- Omit "2006/13", substitute "2006/12"