



Remuneration Tribunal

2015 Review of Remuneration for Holders of Public Office

Statement

The Tribunal's obligation, under sub-sections 7(1), (2), (3) and 8(1) of the *Remuneration Tribunal Act 1973* (the Act), is to make determinations in respect of remuneration for various offices within its jurisdiction at periods of not more than one year. The last group of principal determinations, in fulfilling this obligation, was made on 14 May 2014; new determinations are therefore required prior to 14 May 2015.

The Tribunal's decision, in May 2014, was to determine no annual adjustment to the remuneration for offices in its jurisdiction and to defer the final remuneration increases for a number of offices that had been subject to comprehensive and detailed review by the Tribunal and are being phased in over several years.

DECISION

The Tribunal has decided to defer until the second half of the 2015 calendar year its consideration of whether any increases to remuneration for offices in its jurisdiction should be determined.

This will allow the Tribunal to consider, as it is required to do under its legislation, the outcome of the 2014-15 Annual Wage Review of the Fair Work Commission, due for release in June 2015.

It will also allow the Tribunal to consider the Federal Government's Budget outlook, a range of additional indicators including further Wage Price Index releases from the ABS and data on movements in both private and public sector executive remuneration which are produced annually. Updated economic data from the National Accounts will also be available.

At the same time the Tribunal will consider the final remuneration increases for Secretaries, Specified Statutory Offices, and a number of full time offices, noting its comments in 2014 that it does not retreat from its assessment of the proper relative remuneration of those most senior offices.

The Tribunal will give effect to its decision by issuing new determinations prior to 14 May 2015. These determinations will make no annual adjustment to the remuneration for offices in the Tribunal's jurisdiction.

OTHER GENERAL CONSIDERATIONS

As noted earlier, in conducting its Annual Reviews the Tribunal is obliged under its legislation to have regard to national minimum wage orders made by the Fair Work Commission. In addition the Tribunal takes account of a range of economic factors in Australia, as well as movements in remuneration in the private and public sectors, including the Australian Public Service (APS). This has been the Tribunal's approach for many years, as detailed in previous statements.

Economic indicators and commentary over the past 12 months confirm that the wages environment is challenging and has slowed. It appears likely that this will continue, with general wage movements in the 2-3% range or potentially lower.

In last year's Annual Review Statement, the Tribunal outlined the influence of the public sector remuneration outlook on its deliberations. The Government submission drew to the attention of the Tribunal its Workplace Bargaining Policy for new enterprise agreements in the APS and federal public service. The policy is that wage movements needed to be supported by clearly defined improvements to productivity. Along with other indicators the Tribunal continues to monitor progress in this area.

BACKGROUND INFORMATION

The Tribunal determines remuneration for a wide range of the most senior full-time and part-time public offices, including the federal judiciary, and federal parliamentarians. The Tribunal's determinations - available on its website <http://www.remtribunal.gov.au/> - list all such public offices.

The Tribunal also sets remuneration ranges for principal executive offices, for which precise arrangements are settled by their employing bodies – for example, boards of government business enterprises generally settle the ultimate salary arrangements for their chief executives. While these offices are not covered by the “not more than one year” rule, the Tribunal normally adjusts the remuneration ranges for those offices by the same percentage, and at the same time, as it adjusts remuneration for other offices.

As legislation specifies solely the maximum period between determinations at “not more than one year”, this means that the Tribunal can review remuneration at any lesser period that it sees fit. The Tribunal also reviews, from time to time, the remuneration of specific individual offices in its jurisdiction and determines remuneration for new offices throughout the year.

ENQUIRIES

Enquiries may be directed to the Tribunal's Media Adviser on (02) 6162 0021 or through enquiry@remtribunal.gov.au.

Remuneration Tribunal
31 March 2015