



REMUNERATION
TRIBUNAL ANNUAL
REPORT
2019–20

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REMUNERATION TRIBUNAL

18 September 2020

The Hon Ben Morton MP
Assistant Minister to the Prime Minister and Cabinet
Parliament House
CANBERRA ACT 2600

Dear Assistant Minister

We have pleasure in presenting to you the *Remuneration Tribunal's Annual Report for 2019–20*. The Report covers the activities of the Tribunal during the year ended 30 June 2020.

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

John Conde AO
PRESIDENT

Heather Zampatti
MEMBER

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PRESIDENT'S OVERVIEW

2020 has been a challenging year. Globally, the COVID-19 pandemic has had a significant impact on the health and economies of many countries. Nationally, we have also experienced drought, flood and bushfires.

In the year to June 2020, the Remuneration Tribunal continued its work determining remuneration arrangements for a range of senior public offices. The Tribunal also finalised its comprehensive review of the remuneration structure for principal executive offices (PEO) and considered changes to the secretaries structure following the Australian Government's decision to reduce the number of Commonwealth departments from 18 to 14.

In its determinations, the Tribunal is obliged to assess remuneration on the work value of the office. In doing so the Tribunal seeks to fix remuneration at levels that will attract and retain individuals of the calibre and with the skills necessary to perform the office.

As reflected in its 2020 Remuneration Review decision, the state of the economy continues to be a significant factor for the Tribunal when determining overarching adjustments for public offices. The Tribunal also maintains awareness of remuneration trends in the private and public sectors generally, including by monitoring trends in Senior Executive Service remuneration in the Australian Public Service (APS).

Principal executive offices

The Tribunal completed its examination of the PEO structure and arrangements in March 2020. The review was concerned with ensuring the efficacy of the current arrangements in satisfying the Government's policy intent for offices in the structure. The review did not consider the work value and remuneration arrangements for individual office holders and there were no changes to the remuneration of individual office holders.

Over the course of the review, the Tribunal met with relevant ministers and employing bodies to obtain their views on the use and utility of the PEO arrangements, as well as possible changes to them. Among these stakeholders there was widespread support for the current structure and arrangements, noting they provide rigour to maintaining remuneration at reasonable levels. It was also noted that current remuneration has not detracted from the ability of PEO employing bodies to attract quality candidates for these offices. The Tribunal will continue to monitor contemporary remuneration standards and market expectations.

More information on the review is later in this report.

The Tribunal continued to consider whether some PEOs, which do not require the flexible remuneration arrangements provided by the PEO provisions, have the potential to move to the Tribunal's full-time determinative jurisdiction. During the reporting year, four such PEO offices were moved into the Tribunal's full-time jurisdiction.

Parliamentarians

The Tribunal completed its inquiry, reporting and determinative obligations on the remuneration and work expenses framework for parliamentarians, set out in the *Parliamentary Business Resources Act 2017*.

The Tribunal continues to monitor the operation of the framework and the need for any changes, noting an independent review of the Act is due towards the end of 2020.

General reviews of remuneration

The *Remuneration Tribunal Act 1973* and the *Parliamentary Business Resources Act* require the Tribunal to examine and determine remuneration for offices in its jurisdiction at intervals no greater than one year. As part of these examinations, the Tribunal considers whether any general increase to remuneration for offices in its jurisdiction should be determined.

While work value and competitive, equitable remuneration are the Tribunal’s primary considerations when determining remuneration, the Tribunal also considers the broader jobs market and the economy. For offices other than parliamentarians, the Tribunal is required to consider the Fair Work Commission annual wage review.

Over the last decade the Tribunal has determined modest remuneration increases, taking into account the environment of economic restraint, slower wage growth, and the Government’s public sector workplace bargaining policies.

Figures 1 and 2 show the Tribunal’s remuneration increases during the past decade and how they compare with movement in adult weekly ordinary time earnings (AWOTE).

Figure 1: Tribunal annual adjustments 2011–2020

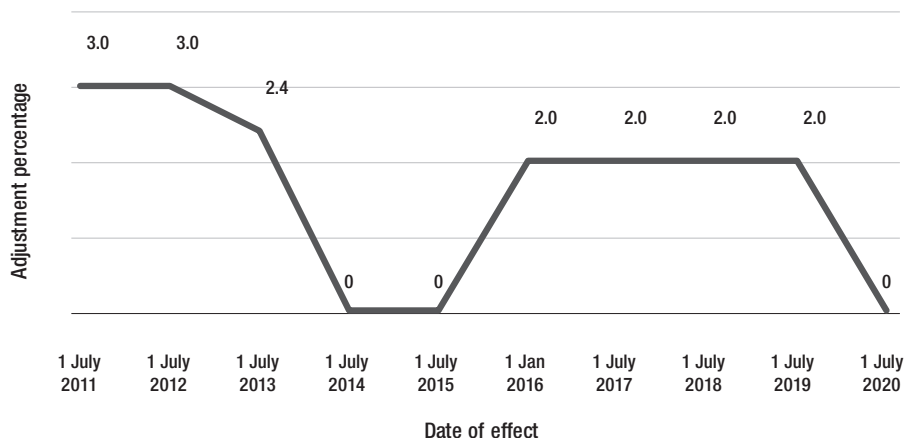
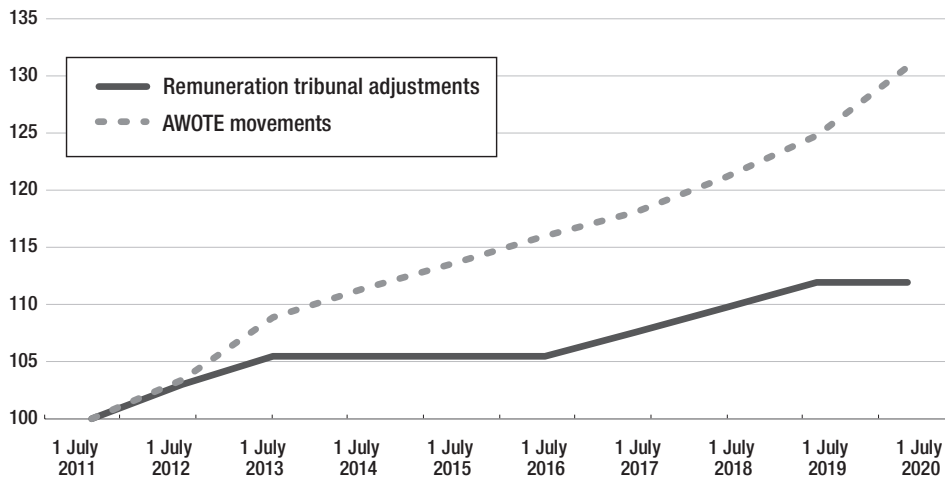


Figure 2: Cumulative AWOTE increases and Tribunal increases 2011–2020



Source: Remuneration Tribunal Secretariat using ABS average weekly earnings, Australia, May 2020.

The 2020 Remuneration Review was undertaken in a period of economic uncertainty due to the COVID-19 pandemic. The 2020 Fair Work Commission annual wage review decision was not available at the time the Tribunal concluded its deliberations.

On 11 June 2020, the Tribunal announced its decision to determine no adjustment to remuneration for public offices from 1 July 2020.

In making this decision the Tribunal had regard to a range of economic considerations, historical and projected. The Tribunal also acknowledged the challenges the Australian economy was facing as a result of COVID-19, and that with high levels of unemployment wage growth was expected to slow.

Further, the Tribunal had regard to the wages policies in state and territory public sectors, which like the Australian Government, have shown restraint. The most recent decision by the Australian Government to defer wage increases of Commonwealth public servants was a significant consideration for the Tribunal.

The Tribunal also considered a joint request from the Minister for Finance, Senator the Hon Mathias Cormann, and the Minister Assisting the Prime Minister for the Public Service and Cabinet, the Hon Greg Hunt MP, to institute a stay on increases to remuneration, entitlements and allowances for all office holders in the Tribunal's jurisdiction. This request served to affirm the Tribunal's preliminary conclusions.

Tribunal membership

The Tribunal operated with full membership for the first five months of the reporting year.

Mr Ewen Crouch AM submitted his resignation to the Governor-General to take effect from 29 November 2019. The Tribunal greatly appreciated the service, contribution and counsel Mr Crouch provided during his tenure, having been a member of the Tribunal since November 2013.

The Tribunal has been operating with two members since Mr Crouch's departure. I am very grateful for the continued support and counsel provided by Ms Heather Zampatti, the other Tribunal member.

In April 2020, the Secretary to the Tribunal, Mr Patrick Palmer, retired after seven years of excellent leadership of the Tribunal's Secretariat. During this period, the Tribunal effectively addressed the challenges of changing national circumstances for offices in its jurisdiction, confident always of Mr Palmer's wise and measured counsel. The Tribunal acknowledges that Mr Palmer's excellent leadership of its dedicated Secretariat enhanced its reputation for which I am grateful. I express my deep appreciation for his long service on behalf of all current and previous Members who served during Mr Palmer's time in office and wish him good health and a propitious retirement.

The Tribunal welcomed Mr Martyn Hagan as the new Secretary in April 2020. The Tribunal looks forward to working with Mr Hagan, as he leads the Secretariat.

This significant change in Secretariat staffing occurred at a time of much disruption, resulting from COVID-19. I record my gratitude to the Secretariat staff for their continued efforts during this challenging time.

John C Conde AO
President

1. INTRODUCTION TO THE TRIBUNAL

The Remuneration Tribunal is an independent statutory authority established under the Remuneration Tribunal Act. It is primarily responsible for inquiring into and determining the remuneration and allowances to be paid to holders of public offices (including parliamentary offices). The Tribunal also reports on and provides advice about these matters.

The Remuneration Tribunal Act defines ‘public office’ to include all offices established by a Commonwealth law (also known as statutory offices) and appointments made under a Commonwealth law, as well as, but not limited to, appointments made by the Governor-General or a minister of state that are formally referred into the Tribunal’s jurisdiction by the Minister responsible for the Tribunal (Section 3). The attributes of a ‘public office’ establish whether appointment to it is made on a full-time or other basis.

Since 2018, the Tribunal’s powers to determine remuneration for parliamentary offices have been provided in the Parliamentary Business Resources Act.

In assessing the remuneration of offices, the Tribunal takes into account:

- the attributes of the office
- remuneration of comparable offices
- considerations related to complexity, merit and productivity
- indicators of movements in remuneration.

The Tribunal aims to develop remuneration arrangements that are flexible and broadly consistent, having regard to the diversity of the offices in its jurisdiction.

2. MEMBERSHIP OF THE TRIBUNAL

The Remuneration Tribunal Act establishes the Tribunal with three part-time members who are appointed by the Governor-General. Due to the resignation of Tribunal member Mr Ewen Crouch AM in November 2019, there is a vacancy in Tribunal membership. Tribunal membership is managed by the Department of Prime Minister and Cabinet.

The current members are:

Mr John C Conde AO, President

Reappointed on 29 May 2018 as Member and President for a further five years from 25 June 2018, Mr Conde was appointed originally as a member of the Remuneration Tribunal on 18 June 1998. He is Chairman of the McGrath Foundation and Chairman of Cooper Energy Limited. He is Chairman of the Dexu Wholesale Property Fund and Deputy Chairman of Whitehaven Coal Limited. Mr Conde is an ex officio member of the Independent Parliamentary Expenses Authority.

Mr Conde’s previous appointments include Chairman of Bupa Australia Health Pty Ltd, Co-Chair of the Review Committee: An Independent Parliamentary Entitlements System, Chairman of the Sydney Symphony Orchestra, Chairman of Destination NSW, Chairman of Ausgrid (formerly

EnergyAustralia), Director of BHP Billiton, Dexus Property Group (ASX listed entity DXS) and Excel Coal Limited, Managing Director of Broadcast Investment Holdings Pty Limited, Director of Lumley Corporation, President of the National Heart Foundation of Australia and member of the Sydney Children's Hospital Network Board, the Dermatology Research Foundation and Council of the Sydney Medical School Foundation.

Ms Heather Zampatti

Appointed a Member on 23 March 2017 for five years, Ms Zampatti has more than 30 years' experience in investment advising and providing investors with professional portfolio management. Her expertise covers the full range of investment options, including advice on cash, fixed interest, stockbroking and financial investment policy and strategy.

Ms Zampatti works with foundations, institutions, not-for-profit organisations, individuals and superannuation funds to ensure their investments are aligned to their specific objectives and priorities. This combination of experience and expertise enables her to advise and manage investment portfolios for a range of organisations.

Ms Zampatti is a graduate of the University of Western Australia with a Bachelor of Science and Diploma of Education. She is a Certified Financial Planner, a Master of Stockbroking and a Fellow of the Australian Institute of Company Directors.

As Head of Wealth Management, Australia, at Bell Potter Securities, Ms Zampatti combines her strengths as an adviser with a leadership role to assist Bell Potter to achieve its goal of establishing itself as the nation's most respected provider of wealth management advice and service.

Ms Zampatti sits on the boards of Osteoporosis Australia, the University Club of Western Australia, ASIC Financial Services Consultative Committee and Tura New Music. She is a former Chair of Lotterywest, a former Chair of the Princess Margaret Hospital Foundation and a former member of Healthways, the Takeovers Panel, the Western Australia Regional Council of Financial Services Institute of Australasia (FINSIA), Western Australian Ballet, the Australian Institute of Management (Western Australia), Chief Executive Women and the Financial Sector Advisory Council.

Ms Zampatti lectures for the Australian Stock Exchange and FINSIA and gives many public seminars.

3. THE WORK OF THE TRIBUNAL

During the reporting year, the Tribunal convened formally on eight occasions. In addition, it held meetings with a range of interested parties. The President and individual Tribunal members, where appropriate, also consulted more widely on a variety of matters.

The Tribunal formalised its decisions in 21 determinations. Appendix A lists all determinations and reports issued by the Tribunal in the reporting year.

3.1. Annual adjustment

In accordance with sections 7(3) and 8(1) of the Remuneration Tribunal Act the Tribunal is required to report on, and make determinations about, remuneration for the offices in its jurisdiction at intervals of not more than one year. The same obligation exists in Section 45(1) of the Parliamentary Business Resources Act for parliamentary offices.

In fulfilling these obligations, the Tribunal considers remuneration movements in the public sector and private sectors, as well as the general economic and fiscal environment. The Tribunal must also have regard to the outcome of the annual wage reviews of the Fair Work Commission.

The Tribunal considered the Government's *Workplace Bargaining Policy 2018*, which sets out the Government's wages policy for employees of the APS and non-APS government entities. The current policy requires wage increases to be modest and affordable, with agencies able to negotiate increases up to an average of 2 per cent per annum.

Most Australian jurisdictions have policies providing for public sector employee wage restraint, with a zero-increase cap in Western Australian since 2016 at one end, to maximum increases of 2.5 per cent per annum in Queensland, New South Wales and Victoria.

In June 2020, the Tribunal determined that no adjustment to remuneration was appropriate for public offices in its jurisdiction from 1 July 2020. This follows increases of 2 per cent per year in the previous three years.

The reasons for this decision included the challenges facing the Australian economy because of COVID-19, with high levels of unemployment and slow wage growth expected. Also significant was the Australian Government's decision to defer wage increases of Commonwealth public servants by six months in response to the economic impacts of COVID-19.

The full text of the Tribunal's 11 June 2020 statement, containing its reasons for decision, is at www.remtribunal.gov.au/2020-remuneration-review-statement

3.2. Full-time public offices

The framework

Under the Remuneration Tribunal Act, the Tribunal is responsible for inquiring into and determining remuneration and recreation leave for full-time public offices. It is also responsible for inquiring into and determining other matters it considers are significantly related to remuneration (Section 7).

The Tribunal determines full-time office holders' remuneration as 'total remuneration'—a figure that covers cash salary, superannuation and other benefits. The significantly related matters determined for full-time office holders are principally travel provisions and some other allowances in specific cases.

Most full-time offices are statutory offices.

During the reporting period, the Tribunal received and considered submissions on remuneration, conditions and/or allowances for new and established offices.

Consistent with its remuneration review statement of 11 June 2020, the Tribunal determined no adjustment to remuneration for these offices from 1 July 2020. The Tribunal issued Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2020 to implement this decision.

As at 30 June 2020, there were 173 offices specified in the Tribunal's principal determination for holders of full-time offices. Ten additional full-time offices were included in the determination during 2019–20. Six of these were established by legislation or by the establishment of executive agencies.

Four offices had their PEO status revoked at the request of relevant ministers and were subsequently returned to the Tribunal's full-time determinative jurisdiction. All revocations during 2019–20 were initiated as a result of the Tribunal's review of PEO arrangements. It is the Tribunal's view that statutory offices with no requirement for, or entitlement to, performance pay should be returned to its full-time determinative jurisdiction.

Appendix B details the new full-time public offices for which the Tribunal determined remuneration in the year to 30 June 2020 and the offices removed from the determination.

Specified statutory offices

The Tribunal is also responsible for determining the remuneration of four full-time public offices referred to as ‘specified statutory offices’. As at 30 June 2020, those offices were the:

- Chief of the Defence Force
- Commissioner of Taxation
- Auditor-General for Australia
- Australian Statistician.

Consistent with its remuneration review statement of 11 June 2020, the Tribunal determined no adjustment to remuneration for these offices from 1 July 2020. It issued Remuneration Tribunal (Specified Statutory Offices Remuneration and Allowances) Determination 2020 to implement this decision.

3.3 Part-time public offices

The framework

Appointments to a wide range of public offices are made on a part-time basis. In addition to statutory offices, part-time offices include appointments made under a Commonwealth law. These offices are diverse and include the chairs and members of boards, councils, committees and administrative tribunals whose work may be regular or intermittent.

Several remuneration models are determined for part-time offices. The two main models are an annual fee, compensating in one annual figure for work done by the office holder, and a daily fee, where remuneration is paid for each day or part-day worked. The other remuneration models are a combination of these main models, with daily fees covering specific activities and an annual fee covering recurring or predictable elements of the office holder's workload.

The principal related matter determined by the Tribunal for part-time offices is travel entitlements.

Consistent with its remuneration review statement of 11 June 2020, the Tribunal determined no adjustment to remuneration for part-time public offices from 1 July 2020.

As at 30 June 2020, the principal determination—Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2019—included offices for more than 250 bodies. This determination was superseded by Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2020, effective from 1 July 2020.

During the reporting year, the Tribunal considered submissions on remuneration and conditions for a number of individual offices. Appendix B includes the details of the new part-time offices for which the Tribunal determined remuneration.

The Tribunal received submissions seeking a review of remuneration for six part-time offices. The Tribunal agreed a review of remuneration was warranted in each case and determined a modest increase in remuneration for the offices.

The Tribunal also received requests from the Chair of Australia Post and the Chair of the Australian Broadcasting Corporation seeking a temporary reduction in fees for their respective board members, due to the economic issues associated with COVID-19. The Tribunal agreed to both requests.

During the reporting year, amendments were made to the *Superannuation Guarantee (Administration) Act 1992*, which had implications for part-time office holders. The amendments allow for a person with multiple employers to opt out of superannuation guarantee requirements in respect of a particular employer, and instead negotiate additional remuneration.

The Tribunal made provisions to support these amendments by allowing a set increase in remuneration where an 'employer shortfall exemption certificate' was issued. The increase in remuneration must be equal to the superannuation contribution that would have been required under the legislation.

3.4 Principal executive offices

The framework

The Remuneration Tribunal Act provides for the Tribunal to determine a classification structure for PEOs, under Section 5(2A), and to determine the terms and conditions applicable to each classification in the structure, under Section 7(3D).

The Minister responsible for the Tribunal has the power to make declarations concerning PEOs, having taken into account the advice of the Tribunal (Section 3A). The Minister may declare an office to be a PEO, the classification to which the PEO is assigned and the PEO's employing body (sections 3A and 3B). The Minister may also determine commencing remuneration for a PEO.

The 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 (Section 12C) and the Tribunal's guidelines.

The Tribunal has established a total remuneration reference rate for each PEO as the basis on which an employing body may exercise discretion in determining remuneration. Reference rates are generally adjusted annually to reflect the outcome of the Tribunal's remuneration review. Most employing bodies have a discretionary range, from 10 per cent below to 5 per cent above the reference rate, although the reference rate must not be exceeded in the first 12 months of a new appointee's term without the prior approval of the Tribunal. PEOs generally also have access to performance pay of up to 15 per cent for bands A to C and up to 20 per cent for bands D and E, although in a number of cases performance pay has been absorbed into fixed remuneration, particularly in circumstances in which a minister is the employing body.

A full list of PEOs is available on the Tribunal's website at www.remtribunal.gov.au/list-peos

Consistent with the Tribunal's statement of 11 June 2020, the Tribunal determined no adjustment to remuneration ranges of the PEO classification structure from 1 July 2020. The Tribunal issued Remuneration Tribunal (Principal Executive Offices—Classification Structure and Terms and Conditions) Determination (No. 2) 2020 to implement this decision.

During 2019–20, the Tribunal considered submissions relating to PEOs, generally dealing with reviews of remuneration and conditions or changes to governance arrangements. In three cases offices were reclassified following a review of remuneration by the Tribunal. These cases were:

- Managing Director, Tourism Australia, was reclassified to Band D
- Executive Director, Australian Strategic Policy Institute, was reclassified to Band C
- Chief Executive Officer, Australian Research Council, was reclassified to Band D.

Since 2007, the number of PEOs has gradually reduced, reflecting the move away from performance pay arrangements. This has allowed some offices to be returned to the Tribunal's full-time determinative jurisdiction. During 2019–20, the Minister responsible for the Tribunal revoked the PEO status of these four offices:

- Chief Executive Officer, Torres Strait Regional Authority
- Director, Workplace Gender Equality Agency
- Chief Executive Officer, Australian Centre for International Agricultural Research
- Director, Australian Institute of Family Studies.

As at 30 June 2020, there were 43 PEOs.

In 2020, the Tribunal concluded a review of PEO arrangements and finalised its consideration of associated terms and conditions. The review examined whether PEO arrangements continued to meet the Government's policy requirements for the classification structure, employing body operational requirements and contemporary remuneration practice.

In concluding the review, the Tribunal also considered its own experience with managing PEO arrangements and the experience of its Secretariat in providing advice to employing agencies and the Tribunal Minister.

The Tribunal did not consider it necessary to make any significant changes to the PEO structure and arrangements and decided to maintain the five band PEO classification structure with new remuneration rates applying to the range of each band, without changing the remuneration for individual office holders.

As a result of the revised remuneration rates applying to the respective bands, these offices were reclassified to a PEO Band D:

- Director, National Gallery of Australia
- Chief Executive Officer, Australian Sports Commission
- Managing Director, Defence Housing Authority
- Director, Australian Institute of Health and Welfare.

Reclassification of these offices did not change the total remuneration for the offices but did increase access to the 'at risk' component of remuneration (performance pay) for three offices from 15 per cent to up to 20 per cent of total remuneration. The office of Director, Australian Institute of Health and Welfare, does not have access to performance pay.

One theme resulting from the review was the variability in how performance is managed and how the 'at risk' component of remuneration, where available, is applied. Consequently, new guidelines were issued at the end of the review incorporating guidance on 'at risk' components of remuneration.

As a next step, the Tribunal will seek updated information on the roles and responsibilities of the offices that remain with the PEO structure but have not been reviewed for some time.

Following the review, the Tribunal issued Remuneration Tribunal (Principal Executive Offices—Classification Structure and Terms and Conditions) Determination 2020. The Tribunal used this opportunity to work with the Office of Parliamentary Counsel to restructure and reform the determination to reflect standard Commonwealth drafting practices.

The Tribunal issued a report in March 2020, outlining the outcome of its review. The Report is available on its website at www.remtribunal.gov.au/offices/principal-executive-offices

3.5 Secretaries

The framework

Under Division 4 of the Remuneration Tribunal Act, the Tribunal is responsible for setting the classification structure, specifying pay points for the classification structure and assigning each office of departmental secretary to a classification. The Tribunal fixes the amount of remuneration to be paid to the Secretary of the Department of the Prime Minister and Cabinet and the Secretary of the Department of the Treasury.

Secretaries of departments other than the departments of the Prime Minister and Cabinet and the Treasury are assigned to pay points by a separate instrument made by the Secretary of Prime Minister and Cabinet under Subsection 14(3) of the Remuneration Tribunal Act.

In assigning the pay point, the Secretary of Prime Minister and Cabinet must consult with the President of the Tribunal and the Australian Public Service Commissioner.

The Tribunal must, from time-to-time, inquire into and determine the terms and conditions (other than remuneration) that are to apply to the office of departmental secretary.

Consistent with the Tribunal's statement of 11 June 2020, the Tribunal determined no adjustment to remuneration of departmental secretaries from 1 July 2020. The Tribunal issued Remuneration Tribunal (Departmental Secretaries Classification Structure and Terms and Conditions) Determination 2020 to implement this decision.

Following machinery of government changes detailed in the Administrative Arrangements Orders of 5 December 2019, the Tribunal undertook a review of the structure and classifications in the Secretaries determination.

The Tribunal President, in consultation with the Secretary of the Department of the Prime Minister and Cabinet and the Australian Public Service Commissioner, considered the impact of the changes on the Secretaries structure. Specifically, regard was given to the relative work value, scope and size of affected departments, noting the changes reduced the number of Commonwealth departments from 18 to 14.

The Tribunal determined the classification level for the five departments whose functions were impacted by the changes and removed the department formally known as Services Australia.

The Secretary of the Department of the Prime Minister and Cabinet consulted with the Tribunal President and the Australian Public Service Commissioner on the appropriate pay point assignment for the office.

3.6 Judicial and related offices

The framework

The Remuneration Tribunal Act empowers the Tribunal to determine remuneration and associated entitlements for the federal judiciary, administrative tribunals and related offices in those organisations.

The extent of the Tribunal's power varies between offices. Depending on the type of office, remuneration may be expressed as base (annual) salary or as 'total remuneration'. Associated entitlements may include the value attributed to the Commonwealth's superannuation contributions or superannuation support (although the Tribunal has no role in relation to the *Judges' Pensions Act 1968*), travel 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 some part-time office holders.

The judiciary

The Tribunal determines base (annual) salary and related benefits for: the chief justices and justices of the High Court of Australia, the Federal Court of Australia and the Family Court of Australia; the chief judge and other judges of the Federal Circuit Court of Australia; and judges who sit as presidents of administrative tribunals (see below).

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

Administrative tribunals and other bodies

The Tribunal determines remuneration and related benefits for non-judicial presidents, deputy presidents and members of bodies such as the Administrative Appeals Tribunal, Australian Competition Tribunal, Australian Law Reform Commission, Copyright Tribunal, National Native Title Tribunal and for offices in the military justice system.

Other related offices

The Tribunal determines remuneration and related benefits for a range of non-judicial positions in the Commonwealth courts, including the chief executives of each court.

Recreation leave

The Tribunal also determines recreation leave for the related offices and for judges of the Federal Circuit Court.

Consistent with the Tribunal's statement of 11 June 2020, the Tribunal determined no adjustment to remuneration of these offices from 1 July 2020. The Tribunal issued Remuneration Tribunal (Judicial and Related offices—Remuneration and Allowances) Determination 2020 to implement this decision.

As a result of recent amendments to the *Defence Force Discipline Act 1982*, these offices in the military justice system were referred into the Tribunal's jurisdiction:

- Deputy Chief Judge Advocate
- Judge Advocate General
- Deputy Judge Advocate General
- Judge Advocate
- Defence Force Magistrate.

The Judicial Remuneration Coordination Group

The Judicial Remuneration Coordination Group last met in May 2018. Representatives from state and territory remuneration tribunals usually attend these meetings to discuss matters of common interest relating to the remuneration of the judiciary in all jurisdictions.

The meeting scheduled for May 2020 was cancelled due to COVID-19. A new meeting date is yet to be set due to continuing uncertainty about the pandemic.

Noting the May 2019 meeting was cancelled due to the Federal election caretaker period, the Group's members have been asked to raise issues directly with the Remuneration Tribunal President.

3.7 Parliamentarians

The framework

Base salary for parliamentarians

The Tribunal is responsible for determining the base salary of parliamentarians. It is required to make new determinations about parliamentary base salaries at periods of no more than 12 months (Section 45(1) of the Parliamentary Business Resources Act). Unlike many other Tribunal determinations, those concerning parliamentarians are not disallowable by the Parliament. The Tribunal has, however, responsibility for explaining in writing its decisions in relation to parliamentarians. These reasons for determination are published on the Tribunal's website at www.remtribunal.gov.au/offices/parliamentary-offices

Additional salary for ministers and parliamentary office holders

Ministers of state (including the Prime Minister) and parliamentary office holders receive a parliamentary base salary and an additional amount of salary known as 'office holder's salary'.

Under the Constitution, the salaries of ministers are a matter for decision by executive government rather than the Tribunal. The Parliamentary Business Resources Act requires that the Tribunal report annually to the Government on these salaries.

The Tribunal determines the salaries for more than 50 non-ministerial parliamentary office holders, such as the Leader and Deputy Leader of the Opposition, presiding officers, whips, shadow ministers, and chairs and deputy chairs of parliamentary committees.

Other allowances and work-expenses provisions

The Tribunal determines various allowances and related provisions for federal parliamentarians (including ministers), such as travel allowance rates, electorate allowance, private-plated vehicles, Internet and telephone services at private residences, along with allowances and expenses for former members, such as post-retirement travel.

Matters outside the Tribunal's determinative powers

The Tribunal does not determine all remuneration and related matters available for members of parliament. It reports on and makes recommendations to the Special Minister of State about a range of work expense and domestic travel-related provisions (for example, travel on scheduled domestic flights and car transport).

Matters relating to the provision of support for members of parliament that are outside the Tribunal's jurisdiction are decided by the Government through the Special Minister of State or by Parliament, under the following legislation:

- *Parliamentary Business Resources Act 2017*
 - *Parliamentary Contributory Superannuation Act 1948* (although the Tribunal determines what constitutes 'parliamentary allowance' for the purposes of this Act)
 - *Parliamentary Superannuation Act 2004*
 - *Ministers of State Act 1952*
 - *Members of Parliament (Staff) Act 1984*
-

Parliamentary base salary

Consistent with the Tribunal's remuneration review statement of 11 June 2020, the Tribunal determined no adjustment to the base salary for a parliamentarian from 1 July 2020. The Tribunal issued Remuneration Tribunal (Members of Parliament) Determination 2020 to implement this decision.

In conjunction with its broader inquiry into remuneration for public office holders in its jurisdiction in June 2020, the Tribunal also completed its inquiries about the remaining remuneration matters for current members of parliament (apart from the rates of travel allowance) and the remuneration and allowances for former parliamentarians set out in its Members of Parliament Determination. The Tribunal also inquired into the travel-related matters prescribed in the Parliamentary Business Resources Regulations. The Tribunal concluded that no changes to the provisions for which it has responsibility were necessary at that time.

Additional salary for ministers and parliamentary office holders

Under Section 44(1) of the Parliamentary Business Resources Act, the Tribunal is required to report annually to the Minister responsible for the Tribunal on 'the question of whether any alterations are desirable in the ministerial salaries that are payable out of public money of the Commonwealth'.

In 1999, the Tribunal adopted the practice in its reports of expressing ministerial salaries as a percentage of the parliamentary base salary.

In July 2019, the Tribunal reported to the Minister Assisting the Prime Minister for the Public Service and Cabinet that no alterations were desirable in the ministerial salaries that are payable out of public money of the Commonwealth. The Tribunal subsequently issued the Report on *Ministerial Salaries—Salary Additional to the Parliamentary Base Salary* on 30 July 2019, recommending no change to existing percentages.

Travel allowances

In August 2019, the Tribunal inquired into and determined changes to travel allowances for parliamentarians in line with the Tribunal's general review of travel allowances, which generally aligned with the Australian Taxation Office determination of that year. Most travel allowance rates increased slightly and a few decreased.

Inquiries and reports

In accordance with its obligations under Section 35 of the Parliamentary Business Resources Act, the Tribunal completed its annual inquiry into domestic travel expenses and travel allowance provisions included in the Parliamentary Business Resources Regulations and reported its conclusions to the Special Minister of State in December 2019.

At that time, the Tribunal considered there was insufficient data under the new expenses framework to support any material change to travel expense and allowance provisions.

3.8 Official travel

The framework

Under the Remuneration Tribunal Act, the Tribunal is responsible for setting travel allowances for office holders in its jurisdiction. Since 1 January 2018, the Tribunal's power to determine travel allowances for parliamentarians has been contained in the Parliamentary Business Resources Act.

The general provisions for non-parliamentary offices, including judicial offices, are set out in a single determination. The various remuneration determinations specify the travel tier applicable to an office and may also contain specific travel-related provisions for an office or group of offices.

The general provisions for parliamentarians are provided separately in the Tribunal's members of parliament determination with other travel-related provisions set out in the Parliamentary Business Resources Regulations.

The Tribunal determined revised travel allowance rates for office holders effective from 25 August 2019. The Tribunal issued Remuneration Tribunal (Official Travel) Determination 2019 and Remuneration Tribunal (2018/02 Members of Parliament) Amendment Determination 2019 to implement this decision.

The Tribunal reviews these allowances annually. In keeping with normal Tribunal practice, the travel allowance rates in the Tribunal's travel determinations are based on the Australian Taxation Office's reasonable travel and overtime meal allowance expense amounts, updated each financial year.

The motor vehicle allowance rate also increased in line with the Australian Taxation Office's car expenses cents per kilometre rate for 2018–19.

3.9 Geographic relocation

The framework

Under the Remuneration Tribunal Act, the Tribunal may determine or report on any matter it considers to be significantly related to remuneration.

The Tribunal has issued Relocation Guidelines that may be applied in circumstances where a person is offered a full-time appointment in a geographic locality that differs from their principal place of residence.

These guidelines may also be taken into account when the Tribunal considers relocation assistance for PEOs. They do not apply to the office of departmental secretary or to judicial offices.

The Tribunal's general expectation is that, when a person is appointed to an office and their principal place of residence is in a different geographic locality, the person will relocate their principal place of residence to the new locality. When this occurs, reasonable relocation costs may be approved by the employer or employing body, consistent with the relevant agency's policy and practice.

In exceptional circumstances, however, and when it is in the interest of the agency, the Tribunal will consider providing accommodation and reunion travel assistance for a person who does not relocate their principal place of residence. During the reporting year, the Tribunal considered and approved assistance for appointees to these full-time offices:

- Chief Executive Officer, National Film and Sound Archive
- Chief Executive Officer, Northern Australia Infrastructure Facility
- Director, Workplace Gender Equality Agency (carrying over the arrangements approved in the Principal Executive Office structure).

Geographic relocation assistance is provided for actual costs incurred by office holders up to specified limits.

3.10 Recreation leave for holders of relevant offices

The framework

Under the Remuneration Tribunal Act, the Tribunal is responsible for determining the recreation leave entitlements for holders of relevant full-time offices, including specified statutory offices, PEOs and non-judicial offices.

Relevant offices are those relating to where there is a specific Commonwealth law (usually the Act establishing the office) that provides the office holder has such recreation leave entitlements as determined by the Tribunal.

Recreation leave entitlements for holders of full-time office and specified statutory offices are included in a separate determination that does not apply to judges, departmental secretaries, PEOs, parliamentarians or holders of part-time office.

The Tribunal determines recreation leave for judges of the Federal Circuit Court of Australia and related offices in its Judicial and Related Offices Determination. Recreation leave arrangements for secretaries are included in the Secretaries Determination. Recreation leave arrangements for PEOs are included in the Principal Executive Offices Determination.

The recreation leave entitlement determined by the Tribunal is set out in Remuneration Tribunal (Recreation Leave for Holders of Relevant Offices) Determination 2018.

Recreation leave entitlements for PEOs are separately specified in Remuneration Tribunal (Principal Executive Offices—Classification Structure and Terms and Conditions) Determination (No. 2) 2020, which provides that PEOs are entitled to be paid annual leave of four weeks per year of full-time service.

Recreation leave arrangements for judges of the Federal Circuit Court are separately specified in Remuneration Tribunal (Judicial and Related Offices—Remuneration and Allowances) Determination 2020.

The Tribunal did not vary Remuneration Tribunal (Recreation Leave for Holders of Relevant Offices) Determination 2018, or any provisions relating to recreation leave for other offices, during the reporting period.

3.11 Compensation for loss of office

The framework

Under the Remuneration Tribunal Act, the Tribunal is responsible for determining the compensation entitlements of holders of relevant full-time offices, including specified statutory offices and non-judicial offices, where an appointment is terminated prematurely in a range of circumstances.

The compensation entitlements determined by the Tribunal do not apply to judges, parliamentarians or holders of part-time office.

The determinations covering PEOs and secretaries have specific loss of office provisions.

The compensation arrangements for public offices holders whose appointments are terminated prematurely are included in Remuneration Tribunal (Compensation for Loss of Office for Holders of Certain Public Offices) Determination 2018.

Provisions for compensation for loss of office for secretaries are included in Remuneration Tribunal (Departmental Secretaries—Classification Structure and Terms and Conditions) Determination 2020.

No changes were made to these arrangements during 2019–20.

3.12 Advisory functions

The framework

The Remuneration Tribunal Act requires the Tribunal to provide advice to the presiding officers of each House of Parliament before the presiding officers determine the terms and conditions, including remuneration and allowances, of a number of offices created in the *Parliamentary Service Act 1999*.

The Tribunal also provides advice on remuneration in limited other circumstances, such as where legislation requires a minister or board to seek the Tribunal's advice.

During 2019–20, in accordance with the requirements of the Parliamentary Service Act, the Tribunal provided advice to the presiding officers about the terms and conditions of the Parliamentary Librarian and the heads of the parliamentary departments.

The Tribunal also provided advice on remuneration matters to a small number of employing bodies.

4. FINANCIAL MATTERS

The Tribunal is supported by a Secretariat staffed by employees of the Australian Public Service Commission. Appendix C provides contact details for the Secretariat. The Tribunal's financial requirements are met through the Commission's Program 1.1. There is no separate form of accounts applicable to the Tribunal.

5. CONSULTANCIES

On behalf of the Secretariat, the Australian Public Service Commission had a contract with Morris Walker Pty Ltd for the provision of media advisory and specialist public relations services to the Tribunal, which expired on 31 January 2020. As at 30 June 2020, the Tribunal had not entered into a new arrangement for the provision of media and public relations services.

6. LEGISLATIVE REQUIREMENTS

6.1 Work health and safety

The Tribunal's Secretariat is located in the Australian Public Service Commission's premises and is subject to the Commission's policies and practices on work health and safety. Information about the Commission's policies is available in its annual report.

6.2 Advertising and market research

The Tribunal did not engage in any paid advertising or market research activities during the reporting year.

6.3 *Environment Protection and Biodiversity Conservation Act 1999*

The Tribunal Secretariat is subject to the policies and practices of the Australian Public Service Commission on the requirements of the *Environment Protection and Biodiversity Conservation Act 1999*. Information about the Commission's policies is available in its annual report.

6.4 *Freedom of Information Act 1982*

For the purposes of freedom of information, the Remuneration Tribunal is a separate agency. Agencies subject to the Freedom of Information Act 1982 are required to publish information to the public as part of the Information Publication Scheme. This requirement, which is in

Part II of the Act, has replaced the former requirement to publish a Section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The Tribunal's plan is available on its website at www.remtribunal.gov.au/foi

6.5 Legislation Act 2003

Most Tribunal determinations are legislative instruments for the purposes of the *Legislation Act 2003*. The exception is determinations relating to secretaries of departments, which are notifiable instruments for the purposes of the Legislation Act.

Tribunal determinations are registered on the Federal Register of Legislation.

The Legislation Act requires the Office of Parliamentary Counsel to table a copy of each determination that is a legislative instrument in each House of Parliament within six sitting days of registration.

Section 7(8) of the Remuneration Tribunal Act, which provides that either House may pass a resolution disapproving a determination within 15 sitting days after the determination has been tabled, applies to all legislative instruments made by the Tribunal other than those made in relation to parliamentarians. Determinations made in relation to parliamentarians—that is, determinations made under the Parliamentary Business Resources Act, Part 6, subsections 44(1), (2) and (3)—are legislative instruments, but the disallowance provisions in the Legislation Act do not apply to them.

No Tribunal determinations were disallowed during the reporting period.

APPENDIX A — DETERMINATIONS AND REPORTS FOR 2019–20

During the reporting year, the Tribunal issued these reports, determinations and statements:

Statement: 2020 Remuneration Review

Remuneration Tribunal Amendment Determination (No. 4) 2020

Remuneration Tribunal (Departmental Secretaries—Classification Structure and Terms and Conditions) Determination 2020*

Remuneration Tribunal (Members of Parliament) Determination 2020*

Statement: Reasons for Determination—Remuneration Tribunal (Members of Parliament) Determination 2020

Statement: 2020 Parliamentary Remuneration and Expenses

Remuneration Tribunal (Judicial and Related Offices—Remuneration and Allowances) Determination 2020 *

Remuneration Tribunal (Principal Executive Offices—Classification Structure and Terms and Conditions) Determination (No. 2) 2020 *

Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2020*

Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2020*

Remuneration Tribunal (Specified Statutory Offices—Remuneration and Allowances) Determination 2020*

Remuneration Tribunal Amendment Determination (No. 3) 2020

Remuneration Tribunal Amendment Determination (No. 2) 2020

Remuneration Tribunal (Principal Executive Office—Classification Structure and Terms and Conditions) Determination 2020*

Report: Remuneration Tribunal 2018 Review of Principal Executive Office Structure and Arrangements

Remuneration Tribunal Amendment Determination (No. 1) 2020

Remuneration Tribunal (Departmental Secretaries—Classification Structure and Terms and Conditions) Amendment Determination 2020

Remuneration Tribunal Amendment Determination (No. 7) 2019

Remuneration Tribunal (Members of Parliament) Determination No. 2 2019 *

Statement: Reasons for Determination—Remuneration Tribunal (Members of Parliament) Determination No. 2 2019

Statement: 2019 Parliamentary Remuneration and Expenses

Remuneration Tribunal Amendment Determination (No. 6) 2019

Remuneration Tribunal Amendment Determination (No. 5) 2019

Remuneration Tribunal Amendment Determination (No. 4) 2019

Remuneration Tribunal (Members of Parliament) Amendment Determination (No. 3) 2019

Statement: Reasons for Determination—Remuneration Tribunal (Members of Parliament) Amendment Determination No. 3 2019

Remuneration Tribunal (Members of Parliament) Amendment Determination (No. 2) 2019

Statement: Reasons for Determination—Remuneration Tribunal (Members of Parliament) Amendment Determination No. 2 2019

Remuneration Tribunal (Official Travel) Determination 2019 *

Statement: 2019 Travel Allowance Review

Statement: Report on Ministerial Salaries—Salary Additional to the Parliamentary Base Salary—July 2019.

* These documents are principal determinations.

Copies of these documents can be obtained from the:

- Tribunal's website at www.remtribunal.gov.au
- Tabling Office of the Senate or the House of Representatives
- Federal Register of Legislation website at www.legislation.gov.au

APPENDIX B — VARIATIONS TO BODIES AND OFFICES DETERMINED IN 2019–20

Full-time offices

New

- Chief Executive Officer, National Faster Rail Agency
- Chair, Data Standards Board
- Chief Executive Officer, National Sports Tribunal
- Deputy Chief Judge Advocate, Military Justice System
- Chief Executive Officer, North Queensland Water Infrastructure Authority
- Chief Executive Officer, Services Australia

Former principal executive offices

- Chief Executive Officer, Torres Strait Regional Authority
- Director, Workplace Gender Equality Agency
- Chief Executive Officer, Australian Centre for International Agricultural Research
- Director, Australian Institute of Family Studies

Renamed

- Coordinator-General, National Drought and North Queensland Flood Response and Recovery Agency (formerly Coordinator-General, North Queensland Livestock Industry Recovery Agency)

Removed from the determination

Nil

Part-time offices

New

- Chair and Member, Future Drought Fund Consultative Committee
- Chair and Member, National Faster Rail Agency Expert Panel
- Inspector-General of Live Animal Exports
- Judge Advocate General
- Deputy Judge Advocate General, Military Justice System
- Judge Advocate, Military Justice System

- Defence Force Magistrate, Military Justice System
- Chair and Member, National Water Grid Advisory Body

Renamed

Nil

Removed from the determination

- Corporations and Markets Advisory Committee
- Defence Reserves Support Council, National Executive and State and Territory Chairs
- Anti-Doping Research Program Panel
- Medical Training Review Panel
- Australian Sports Anti-Doping Authority—Advisory Group

Principal executive offices

New

Nil

Renamed

Nil

Removed from the principal executive office structure

These offices had their status as a PEO revoked and were returned to the Tribunal's full-time office determinative jurisdiction:

- Chief Executive Officer, Torres Strait Regional Authority
- Director, Workplace Gender Equality Agency
- Chief Executive Officer, Australian Centre for International Agricultural Research
- Director, Australian Institute of Family Studies

APPENDIX C — SECRETARIAT

The Tribunal is supported by a Secretariat staffed by employees of the Australian Public Service Commission. The Secretary to the Tribunal is Mr Martyn Hagan.

The Secretariat can be contacted in writing, by email or telephone:

Secretary
Remuneration Tribunal Secretariat
PO Box 281
Civic Square ACT 2608
Email: enquiry@remtribunal.gov.au
Telephone: 02 6202 3930

This annual report is available on the Tribunal's website at: www.remtribunal.gov.au

Media inquiries should be directed to:

Secretary
Remuneration Tribunal Secretariat
Email: enquiry@remtribunal.gov.au

