



Remuneration Tribunal

2024 Review of Remuneration for Holders of Public Office Statement

Decision

The Tribunal has decided to increase remuneration by 3.5% for public offices in its jurisdiction. This increase applies from 1 July 2024.

Overview

The Tribunal completed its last review of remuneration for public offices in its jurisdiction in August 2023 and determined an adjustment of 4.0% would apply from 1 July 2023 for all offices, except parliamentarians, for whom the increase had effect from 1 September 2023. The following table sets out the Tribunal's general adjustment decisions since 1 July 2015.

Effective date	Remuneration Tribunal increase
1 July 2015	0.0%
1 January 2016	2.0%
1 July 2016	0.0%
1 July 2017	2.0%
1 July 2018	2.0%
1 July 2019	2.0%
1 July 2020	0.0%
1 July 2021	0.0%
1 July 2022	2.75%
1 July 2023	4.0% (all offices except Members of Parliament)
1 September 2023	4.0% (Members of Parliament)
1 July 2024	3.5%

The Tribunal is obliged to consider the outcome of the Annual Wage Reviews of the Fair Work Commission (FWC) in its annual review deliberations. It takes these outcomes along with a wide range of other factors into its decision.

The Tribunal also considered the Federal Government's Budget outlook as part of its deliberations, and considered economic conditions more generally including published data on movements in both private and public sector remuneration. The Tribunal had regard to the pay increases provided to APS employees under the Public Sector Workplace Relations Policy 2023.

Remuneration data in general reflects a continued period of increasing wage growth across the economy, with the annual rate of growth rising each quarter since December 2020 to December 2023. The Australian Bureau of Statistics (ABS) seasonally adjusted March 2024 annual Wage Price Index (WPI) rose 3.8% in the public sector, 4.1% in the private sector and 4.1% overall. In 2023, these figures were 3.0% in the public sector, 3.8% in the private sector and 3.7% overall.

The Tribunal is aware the remuneration increases it has awarded to offices in its jurisdiction over the past decade have been modest. Including the current decision, the cumulative total of remuneration increases awarded by the Tribunal since 2015 amounts to 18.25%. In contrast, remuneration increases more generally in the public and private sectors (based on overall March WPI data from 2015 - 2024) have equated to 24.4%.

Background

The Tribunal's obligations, under sub-sections 7(3) and 8(1)(b) of the *Remuneration Tribunal Act 1973* and sections 14 and 45 of the *Parliamentary Business Resources Act 2017*, are to make determinations in respect of remuneration for various offices within its jurisdiction at periods of not more than one year. The Tribunal last issued determinations in August 2023.

In conducting its review of remuneration, the Tribunal takes account of economic conditions in Australia, past and projected movements in remuneration in the private and public sectors (including the APS), as well as the outcomes of reviews of public offices completed by the Tribunal. In order to inform its conclusions, the Tribunal draws upon sources such as the published material available from the Government, the Reserve Bank of Australia (RBA) and the ABS as well as trends in public and private sector remuneration.

Adjustments arising from the Tribunal's review apply to the broad spectrum of offices in the Tribunal's determinative jurisdiction including the most senior offices in the public service and statutory agencies, certain government-owned businesses, Secretaries, the federal judiciary, numerous part-time offices and parliamentarians. Adjustments in remuneration of this kind recognise the achievement of ongoing objectives and note the steady evolution in responsibility that is characteristic of public administration.

The Tribunal, in conducting significant reviews of its various jurisdictions since 2010, has established internal relativities that recognise comparative work values for a broad range of offices. At the same time the Tribunal is cognisant of movements in remuneration for similar roles in State/Territory public sectors and more generally in relevant segments of the private sector.

Economic factors

The domestic economy is moving towards a better balance after a lengthy period of high inflation in 2023. Inflation continues to moderate, but is declining more slowly than expected. It is expected to return to the target range of 2-3% in the second half of 2025.

Gross Domestic Product (GDP) increased 0.1% in the March 2024 quarter and by 1.1% since March 2023, the lowest through the year growth since December 2020. GDP per capita fell for the fifth consecutive quarter, falling 0.4% in March and 1.3% through the year.

Consumer Price Index (CPI) inflation rose 1.0% in the March 2024 quarter and 3.6% annually. While prices continued to rise for most goods and services, annual CPI inflation was down from 4.1% last quarter and has fallen from its peak of 7.8% in December 2022.

The seasonally adjusted unemployment rate rose by 0.2 percentage points to 4.1% in April, up from a revised 3.9% in March 2024. Employment rose by around 38,000 people and the number of unemployed grew by about 30,000 people. The increases in both employment and unemployment saw the participation increase by 0.1% to 66.7% in April.

At its May 2024 Monetary Policy meeting, the RBA Board decided to leave the cash rate target unchanged at 4.35%. Interest rates have been increased by 4.25% since May 2022.

In the Commonwealth, the Government's Public Sector Workplace Relations Policy 2023 provided pay increases of 4.0% from March 2024, 3.8% from March 2025 and 3.4% from March 2026.

The Average Annualised Wage Increase for federal enterprise agreements approved in the December quarter of 2023 was 4.3%. This was up from 4.1% in the September quarter 2023, up from 2.6% in the September quarter 2022 and up from a historic low of 2.2% in the December quarter 2020.

The WPI rose 4.1% over the year to March 2024. The rise for the private sector was 4.1% and the rise for the public sector was 3.8% over the 12 months to March 2024. Annually, wage growth eased slightly from the 4.2% recorded in December 2023 and 4.0% for the year to September. The annual growth rate remains at levels not seen since 2008.

The FWC has awarded increases in recent years to the national minimum wage and modern award minimum wages of 1.75% from 1 July 2020, 2.5% from 1 July 2021, 5.2% (minimum wage) and 4.5% (modern award) in 2022, and 8.6% (minimum wage) and 5.75% (modern award) from 1 July 2023. On 3 June 2024 the FWC announced the outcome of its annual wage review, increasing the national minimum wage by 3.75%.

Reasons for decision

When determining remuneration for the broad spectrum of public offices within its jurisdiction, the Tribunal's primary focus is to provide competitive and equitable remuneration that is appropriate to the responsibilities and experience required of the roles, and that is sufficient to attract and retain people of calibre. Many of these office holders do not expect or require that monetary compensation for their roles in the public sector be set at private sector levels. Rather, office holders serve for the public good and the opportunity to influence economic and social policy initiatives.

On 11 June 2024, the Tribunal agreed it would determine an increase of 3.5% for offices in its jurisdiction. The increase takes effect from 1 July 2024.

Implementation

Determinations reflecting the Tribunal's decision will be available on the Tribunal's website after they are registered on the Federal Register of Legislation.

Remuneration Tribunal

17 June 2024

Enquiries may be directed to the Tribunal via its Secretariat at enquiry@remtribunal.gov.au