



Remuneration Tribunal

Remuneration of Full Time Public Offices Statement

The Tribunal has today published, on its website, a Report on its review of the full-time offices for which it determines remuneration. A determination giving effect to its conclusions will shortly be registered on the Federal Register of Legislative Instruments.

This statement offers a brief summary of the Report.

Since its establishment in 1974, the Tribunal has been determining remuneration for a variety of full-time offices. The details of public administration have changed over the intervening years so that while the full-time offices for which remuneration is determined have always been, and remain, senior offices with distinctive and significant roles, the 2012 list of offices is very different from the 1974 list. The current offices, 146 in number, are listed by name in the relevant Tribunal determination. There are a number of office holders appointed to some of these offices.

The Tribunal reviews remuneration for public offices, in a general sense, annually. However, given the degree of change in roles and responsibilities of public offices, resulting from legislative or policy change, or from development of offices over time, an occasional comparative study of the remuneration of the various offices is essential to maintain the integrity of the Tribunal's determinations.

Prior to this review, the Tribunal had reviewed the remuneration of many of the most senior offices in its jurisdiction – offices in the economic regulatory agencies (which are offices in the full-time determination), Secretaries of Departments and a group of distinctive senior offices which have become known collectively as the Specified Statutory Offices. Reports on those reviews are also available on the Tribunal's website.

The Tribunal commenced its review of the full-time offices in its jurisdiction which it had not already reviewed in December 2011. This review has proven to be a complex and demanding process, not least because of the large and increasing number of full-time offices. In conducting its review the Tribunal took account of several factors which have been referred to in a number of previous Tribunal Statements and Reports. These factors include:

- the scale and complexity of the responsibilities of senior public offices;
- changes in remuneration relativities over a number of years between office holders in the Tribunal's jurisdiction and officers in the Senior Executive Service (SES) of the Australian Public Service;
- the need for a simplified, and practical, remuneration structure, and the difficulty of justifying small differences in remuneration between offices;
- the need for remuneration arrangements for full-time offices to provide adequate compensation for the often onerous duties performed; and

- remuneration should be commensurate with current responsibilities, not based on past achievements or potential future challenges.

The remuneration arrangements for the appointees to such positions will be lower than may be paid in the private sector, noting that the Tribunal is conscious of the prestige, honour, power and influence attached to certain senior public offices.

Conduct of the review and conclusions

The Tribunal has built on the work that it undertook in relation to other senior offices, bringing to bear similar considerations to those that underpinned previous reviews.

In a June 2012 Statement on the Review of Remuneration for Holders of Public Offices the Tribunal included its preliminary thinking on a structure for full-time offices. The structure eliminated the fine levels of differentiation between many offices that had developed over the years, but that could no longer be sustained logically. The Tribunal invited comment on the proposed structure.

The Tribunal considered a range of information in its review, including comments on the structure. Other sources of information included, where appropriate, meetings with various agency heads and office holders, annual reports and Portfolio Budget Statements. The Tribunal also has a wealth of information already available to it, given close to 50% of offices in its full-time jurisdiction have been the subject of detailed examination in the last five years.

With the benefit of further consideration of the structure in general and of specific offices, the Tribunal has added new levels to the structure proposed in June 2012. Most full-time offices have now been placed in the structure, taking account of comparisons of the relative roles and responsibilities of those offices.

Significant increases have been determined for a small number of offices, where there had been no comprehensive review of roles and responsibilities for many years or where recent legislative and/or policy change has had a major impact. In those cases the increased remuneration will be implemented in stages.

In a majority of cases, increases to bring offices into the structure are relatively small. In a small number of cases, information arising from the review has resulted in a reduction in remuneration for an office.

In general, remuneration adjustments will be made from 1 January 2013. Where there is a staged approach this will be completed by 1 July 2014.

The Tribunal has also made some adjustments to superannuation arrangements applying to office holders. These take into account similar issues to those described in the Tribunal's Report on the Office of Secretary.

Remuneration for a small number of specific offices is still being considered, for instance where it is known that the role of an office will change in the near future. It is intended that these offices will be placed in one of the levels of the new structure when the assessment of the changes to their roles is complete. The Tribunal intends to finalise this consideration in the coming year.

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