

REMUNERATION TRIBUNAL

REPORT RELATING TO DETERMINATION NO. 6 OF 2012

1. INTRODUCTION

- 1.1 The Remuneration Tribunal ('the Tribunal') is responsible for determining the remuneration payable to the following statutory office holders:
 - 1.1.1 the Auditor General;
 - 1.1.2 the Electoral Commissioner;
 - 1.1.3 the Deputy Electoral Commissioner;
 - 1.1.4 the Employee Ombudsman; and
 - 1.1.5 the Health and Community Services Complaints Commissioner ('HCSCC').

2. ANNUAL REVIEW

- 2.1 In accordance with the provisions of the *Remuneration Act 1990* (SA), the Tribunal by letter dated 4 October 2012, invited the office holders of the positions of Auditor-General, Electoral Commissioner, Deputy Electoral Commissioner, Employee Ombudsman and the HCSCC to make submissions in relation to the remuneration of those offices, for the purposes of the Tribunal's annual review of remuneration.
- 2.2 The Tribunal, by letter dated 4 October 2012, also invited the Premier (as the Minister responsible for the *Remuneration Act 1990* (SA)) to make submissions in the public interest.
- 2.3 The Tribunal received written submissions from the Auditor-General, the Electoral Commissioner, the Deputy Electoral Commissioner, the Employee Ombudsman and the Premier.
- 2.4 A hearing was convened on 9 November 2012, to hear oral submissions.

Auditor-General

- 2.5 The Auditor-General conveyed his view that "*the adverse effects of the global financial crisis on the South Australian public sector and its workforce required constraint to be exercised and this has been reinforced through the 2010-11 and subsequent annual budgets of government*". The Auditor-General concluded that that "*there should be no alteration to my remuneration*".

Electoral Commissioner

- 2.6 The Electoral Commissioner submitted that in making its determination, the Tribunal should give consideration to general salary movements of the other statutory officers and to the Premier's submission to a previous remuneration review that salary increases should be generally consistent with movements in the public sector.
- 2.7 The Electoral Commissioner noted that the recently approved *South Australian Public Sector Wages Parity Enterprise Agreement: Salaried 2012* had awarded a 3% increase effective 1 October 2012. It was further noted that, while at the closing

date for submissions the 2012 Public Service Executive Remuneration Review had yet to be finalised, executive increases usually followed the enterprise agreement outcomes for the general public service.

- 2.8 The Electoral Commissioner also submitted that the Tribunal should have regard to the economic indicia published by the Australian Bureau of Statistics such as the Labour Price Index, the Average Weekly Earnings and the Consumer Price Index.

Deputy Electoral Commissioner

- 2.9 The Deputy Electoral Commissioner acknowledged that the Tribunal should give consideration to general salary movements and to previous submissions from the Premier in granting increases that *"...have regard to, and not significantly differ from, increases applicable to other public sector positions"*.
- 2.10 However, the Deputy Electoral Commissioner submitted that to maintain relativity with increases for public sector executives, the Tribunal should determine a higher percentage equivalent when increasing the "salary only" component for statutory office holders, pointing out that the annual percentage increase awarded to executives applied to all components of their Total Remuneration Package including the value of their vehicle and superannuation.

Employee Ombudsman

- 2.11 The Employee Ombudsman requested that the Tribunal consider amending the current home office telephone rental and call provisions for statutory office holders, by which the whole cost of rental for a single point connection without extra services and one third of the cost of metered calls are met by the employer. The current Determination also provides for the reimbursement of any international, STD and mobile calls on the basis of actual costs incurred.
- 2.12 It was proposed by the Employee Ombudsman that, in lieu of these arrangements, a fixed monetary allowance of \$1,200 per annum, payable fortnightly, be provided to statutory office holders based on the Communications Allowance currently provided to Members of the Judiciary pursuant to Determination 4 of 2008.
- 2.13 The Employee Ombudsman further noted that Determination 4 of 2008 gave due recognition to the contemporary need for a home-based internet connection to enable the flexibility of work from home and out of normal business hours.

Premier

- 2.14 The Premier noted the Tribunal's past approach to setting the remuneration for the relevant statutory office holders.
- 2.15 The Premier submitted that the Tribunal should have regard to the following economic factors in its review of remuneration:
- 2.15.1 The economic indices published by the Australian Bureau of Statistics for the South Australian Labour Price Index (which indicated that wages and salary costs for employees had increased by 3.4% in the year to 30 June 2012) and the Consumer Price Index for Adelaide (which showed an increase of 1.2% for the year to 30 June 2012);

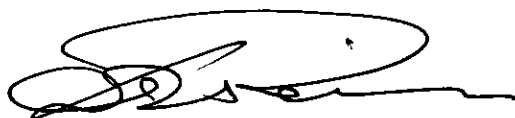
- 2.15.2 The Underlying Inflation rate for June 2012 which showed the measure of 'underlying' inflation in Australia at an annual growth of 1.9% (weighted mean);
 - 2.15.3 The national and global economic climate of uncertainty and its impact on South Australia's finances;
 - 2.15.4 Enterprise bargaining salary increases provided in the current public sector enterprise agreements in 2012 and 2013 averaging 3% per annum.
- 2.16 The Premier submitted that it is in the public interest that the increases in salaries for the relevant statutory office holders have regard to, and not significantly differ from increases applicable to other public sector positions.

3. CONCLUSION

- 3.1 After reviewing previous Tribunal Determinations, comments and submissions from the statutory office holders and the Premier, the Tribunal has determined that a salary increase of 3% is appropriate.
- 3.2 The Tribunal has determined that the salary for the Auditor-General will be \$296,558 per annum.
- 3.3 The Tribunal has determined that the salary for the Office of the Electoral Commissioner will be \$185,812 per annum.
- 3.4 The Tribunal has determined that the salary for the Office of Deputy Electoral Commissioner will be \$135,136 per annum.
- 3.5 The Tribunal has determined that the salary for the Office of the Employee Ombudsman will be \$139,884 per annum.
- 3.6 The Tribunal has determined that the salary for the Office of the Health and Community Services Complaints Commissioner will be \$218,545 per annum.
- 3.7 Finally, in the context of the Employee Ombudsman's submission relating to the introduction of a communication allowance the Tribunal intends to review the current Telephone Rental and Calls Determination during 2013 at which time all concerned parties will have the opportunity to make submissions.

4. OPERATIVE DATE

- 4.1 Salaries determined in Clause 3 will operate with effect from 1 July 2012.



Deane Prior
PRESIDENT

15 December 2012