



No. 6 of 2022

REPORT OF THE REMUNERATION TRIBUNAL

2022 Review of Remuneration of Auditor-General, Electoral Commissioner, Deputy Electoral Commissioner & Health and Community Services Complaints Commissioner

INTRODUCTION

1. The Remuneration Tribunal (**Tribunal**) has conducted a review of Determination 4 of 2021¹ which sets salaries payable to the following statutory offices as conferred under section 14 of the *Remuneration Act 1990 (Act)*.
 - a. the Auditor-General
 - b. the Electoral Commissioner
 - c. the Deputy Electoral Commissioner
 - d. the Health and Community Services Complaints Commissioner.
2. The Tribunal has decided to increase salaries for these offices as detailed in this report, with work value based increases applying to the first three office holders. The Tribunal has issued an accompanying determination which gives effect to its decision.

THE REVIEW PROCESS

3. On 22 June 2022, and in accordance with sections 10(2) and 10(4) of the Act, the Tribunal wrote to and invited submissions by 25 July 2022 in respect of this review from:
 - a. the Honourable Premier of South Australia – as the Minister responsible for the Act who may make submissions or introduce evidence in the public interest
 - b. the above mentioned office holders
4. In seeking these submissions, the Tribunal noted its indication in its 2021 report that it was minded to consider conducting a work value assessment of these roles. Accordingly, the Tribunal invited submissions on this topic.
5. The Tribunal also placed a notice on its website from 22 June 2022 calling for submissions from affected persons by 25 July 2022.

¹ Remuneration of Auditor-General, Electoral Commissioner, Deputy Electoral Commissioner, Health and Community Services Complaints Commissioner.

6. The Tribunal received a joint submission from the Electoral Commissioner and Deputy Electoral Commissioner on 25 July 2022. It also received a submission from the Premier's representative on 1 August 2022. No other written submissions were received.
7. The submissions and other information received from the Electoral Commissioner and Deputy Electoral Commissioner are dealt with later in this report. It is useful however to briefly summarise the initial submissions received from the Premier's representative. In summary, they provided information on wage movements in the public sector, economic data, and background to this review, and submitted that:
 - a. while the Tribunal retains a broad discretion in conducting its annual reviews, it should be cautious in approaching a work value-based assessment as presently there is insufficient indicative evidence of significant work value increases to justify this
 - b. an increase of 1.5% from 1 January 2022 would be consistent with the Tribunal's past approach of maintaining increases within a reasonable range when compared with public sector executives.
8. On 30 August 2022, the Tribunal wrote to the Auditor-General and invited him to attend before the Tribunal to provide information on the responsibilities of his office as compared with other jurisdictions and on the salary differences. This invitation was extended, in circumstances where the Auditor-General had chosen not to provide a submission, but the Tribunal noted that the last work value review for the Auditor-General occurred over 20 years ago.
9. On 30 August 2022, the Tribunal wrote to the Electoral Commissioner and invited him and the Deputy Electoral Commissioner to attend before the Tribunal to provide information on the responsibilities of both offices as compared with other jurisdictions and on the salary differences.
10. On 30 August 2022, the Tribunal wrote to the Premier to notify him of the proposed meetings, and that it intended to inform the Premier of its proposed approach to the review together with an opportunity to comment on that approach before any final conclusion is reached.
11. The Tribunal subsequently met with the Auditor-General on 26 September 2022, and then with the Electoral Commissioner and Deputy Electoral Commissioner.
12. On 17 October 2022, the Tribunal wrote to the Premier and provided him with an indication of the Tribunal's preliminary conclusions. The Premier was asked whether he wished to make any further submissions, and if so, to nominate a date by which submissions would be provided.
13. The Premier's representative has since confirmed that the Premier does not wish to make any further submissions. The Tribunal has taken the Premier's position to simply confirm that the establishment of an appropriate level of remuneration is entirely a matter for the Tribunal.

CONSIDERATION AND CONCLUSION

The Auditor-General

14. Notwithstanding that the Auditor-General did not request an increase, or review of his remuneration, the Tribunal was concerned that this remuneration had not been reviewed against work value principles for many years. The Tribunal also noted very substantial discrepancies between remuneration levels for Auditors-General in every State and Territory when compared to the South Australian Auditor-General's remuneration.

15. These differences are shown in the table below:

Jurisdiction	2021	2022
Victoria	\$540,000–\$549,999 (presume total package)	
NSW	\$513,880	\$521,740
Queensland	\$467,000	
Western Australia	\$403,288	\$414,481
Tasmania	\$371,000	
South Australia	\$336,951	
ACT	\$317,704	\$328,029
Northern Territory	\$299,000	

16. The Tribunal notes that the figures for Victoria, Queensland, and the Northern Territory have been ascertained from detailed Annual Reports from each jurisdiction. As indicated, the remuneration for Victoria is presumed to be a total package inclusive of superannuation, however the salary component of that package would still sit at or towards the top of the above list. The salaries for New South Wales, Western Australia, and the Australian Capital Territory are set by respective Tribunals. The salary for Tasmania is set by a statutory formula, being the average salary paid to the Auditors-General in South Australia and Western Australia.

17. As indicated, the Tribunal asked the Auditor-General to meet to discuss his role and changes to the functions undertaken. In the course of these discussions, the Auditor-General noted substantial changes to his function and significant changes to the expectations of the function. The Auditor-General also remarked on staffing retention issues and rapidly changing remuneration expectations which created pressure within his department.

18. The Tribunal has adopted the position that a comparison of remuneration differentials provides a useful insight into possible remuneration issues, but does not, of itself, justify a change in remuneration. A fundamental requirement is that the Tribunal is satisfied that there have been significant changes in work value since the remuneration was last assessed.

19. It is well established that work value changes which provide a sustainable basis for reviewing remuneration include:

- a. changes in the nature of the work
- b. the level of skill and responsibility involved in doing the work, and/or
- c. the conditions under which the work is performed.

20. If changes within one or more of these factors are identified the Tribunal may then consider comparable remuneration levels.
21. The Tribunal last conducted a detailed assessment of the Auditor-General's function over 20 years ago. The Tribunal's discussions with the Auditor-General and its own investigations into the expectations of this function are indicative of significant changes in the financial reporting environment. These changes go to accounting practices and expectations. Further, technological changes have both enabled and demanded that public sector auditors apply more advanced technology to interact with client bodies. There is an increased need for specialisation which brings with it differing managerial expectations. Performance reporting requirements and on-line reporting systems have required different audit management and organizational approaches. The Tribunal has not and is not required to consider if these changes alter the role of more junior auditing staff, but they have imposed significant change expectations on the functions undertaken and the oversight role of the Auditor-General.
22. In addition to the work value changes to the Auditor-General's function, the Tribunal has also noted that the responsibilities of this role in relation to public sector management requirements have also increased.
23. The Tribunal has concluded that these work value changes require a substantial revision of the remuneration for this office. A failure to do so is highly likely to limit the Government's capacity to recruit essential highly skilled Auditor-General office holder functions in the near future and ultimately impact on the credibility of the functions undertaken.
24. In assessing remuneration levels, the Tribunal has taken total remuneration into account. This includes current motor vehicle arrangements, based on the costing arrangements provided by Fleet SA. The Tribunal has recognised that the current Auditor-General is a member of a defined benefit superannuation fund, but has considered superannuation arrangements on the basis of standard accumulation scheme arrangements.
25. Given its conclusions about these work value changes, the Tribunal has reviewed remuneration levels for Auditor-General functions in other States and Territories. While these roles are inherently similar, the Tribunal has noted some relatively minor differences in relation to the extent of local government work. Differences between South Australia and the mainland Eastern seaboard States in terms of the relative size of public sector functions have also been considered by the Tribunal. The Tribunal has also noted information from the Auditor-General that in his time, he has built the capability of his office (and statutory responsibilities) to be doing the same range of work which other jurisdictions are undertaking.
26. The total remuneration for the South Australian Auditor-General is in the order of \$70,000 per annum less than the overall average remuneration for Auditors-General for all of the States and Territories and is in the order of \$110,000 less than the average remuneration level for these positions taking into account the States alone.
27. The Tribunal considers that the remuneration for the Auditor-General should be increased in two tranches. The first increase of \$55,000 will operate from 1 January 2023, with the second tranche of \$55,000 to operate from 1 November 2023. The Tribunal stresses that this substantial increase does not represent a basis for more general increases in general auditing remuneration levels as each function needs to be considered separately.
28. The effective date of these salary increases was also taken into account in deciding on the quantum of the increases, noting that the last salary increase for the Auditor-General was on 1 January 2021.

The Electoral Commissioner and Deputy Electoral Commissioner

29. The Electoral Commissioner and Deputy Electoral Commissioner provided a submission where they requested that the Tribunal recognise significant changes to the work complexity associated with these functions since 2010, notwithstanding that the Tribunal reviewed the remuneration for these positions in 2016 and 2017 respectively. The Electoral Commissioner and Deputy Electoral Commissioner referred to substantial changes to electoral security arrangements throughout Australia, which required national co-operation, to additional workload imposts associated with Local Government elections and to increased complexity associated with the monitoring of social media and misleading advertising actions.
30. The Tribunal has noted that the remuneration levels for these functions have been regularly reviewed and that the last review of the Electoral Commissioner's position involved a position assessment undertaken by an external remuneration expert.
31. The Tribunal acknowledges that a comparison of remuneration levels for comparable functions in other States and Territories indicates that these South Australian functions are paid substantially less than average remuneration levels.
32. By itself, these discrepancies do not form a basis for remuneration adjustments. The Tribunal has adopted the same approach as it has applied to reviewing the Auditor-General's remuneration level. The Tribunal firstly needs to be satisfied that there have been significant changes to work value before it will have regard to comparable remuneration levels.
33. As a starting point, the Tribunal intends to confine its consideration of the current remuneration levels to changes which have occurred since the last reviews in 2016 and 2017. The Tribunal is not satisfied that errors in earlier Tribunal determinations have been made out so as to warrant revisiting those conclusions.
34. Consistent with its approach to the Auditor-General's remuneration review, work value changes which provide a sustainable basis for reviewing remuneration for the Electoral Commissioner and Deputy Electoral Commissioner include:
 - a. changes in the nature of the work
 - b. the level of skill and responsibility involved in doing the work, and/or
 - c. the conditions under which the work is performed.
35. If significant changes to one or more of these factors are identified the Tribunal may then consider comparable remuneration levels.
36. The Tribunal has reviewed all the information provided. It is somewhat restricted in undertaking this review because demonstrable performance criteria associated with these roles are not clear. This is a matter the Electoral Commissioner may wish to consider in the future.
37. The Tribunal is satisfied that progressive changes impacting on the Electoral Commissioner functions have increased the complexity of these functions since 2017. These changes include demands for increased cyber security protections, increases in national co-operation requirements, although future reliance on changes that are most likely generated by the Australian Government represents a flawed basis for assertions of work value change unless the South Australian impact of those changes can be identified.

Notwithstanding this, the continuing growth in challenges relating to social media and misleading advertising represent demonstrable changes in work value.

38. Having reached this conclusion, the Tribunal has reviewed comparable remuneration levels for other State and Territory electoral commissioner functions. These comparisons are shown below:

Electoral Commissioner		
Jurisdiction	2021	2022
New South Wales	\$399,990	\$406,110
Victoria	\$333,000	
Queensland	\$304,626 – \$367,177	
Western Australia	\$253,020	\$259,978
Northern Territory	\$244,000	
South Australia	\$239,737	
ACT	\$232,532	\$240,089
Tasmania	\$196,319 – \$215,952 \$225,768 (with approval of Head of State Service)	\$200,933 – \$221,027 \$231,073 (with approval of Head of State Service)

39. The Tribunal notes that the figures for Victoria, Queensland, and the Northern Territory have been ascertained (or estimated in the case of Victoria) from detailed Annual Reports from each jurisdiction, and from the submission of the Electoral Commissioner. The salaries for New South Wales, Western Australia, and the Australian Capital Territory are set by respective Tribunals. The salary for Tasmania is set under an Employment Direction, with the role being a Senior Executive Level 3.

Deputy Electoral Commissioner		
Jurisdiction	2021	2022
Victoria	\$244,000	
ACT	\$193,171	
Western Australia	\$191,776	\$197,050
Queensland	\$179,329 – \$186,828	
South Australia	\$179,539	
Northern Territory	\$149,000 – \$155,000	
Tasmania	\$127,141 – \$135,790	

40. The Tribunal notes that the figures for Victoria, Queensland, and the Northern Territory have been ascertained (or estimated in the case of Victoria) from detailed Annual Reports from each jurisdiction. The salaries for Western Australia and the Australian Capital Territory are set by respective Tribunals. There is no deputy in New South Wales. The salary for Tasmania is set by an enterprise agreement, with the role being a Band 8.
41. The Tribunal has noted that the electoral commissioner function is inherently more demanding in Victoria and New South Wales, because of increased population demands. The Tribunal does not agree with the Electoral Commissioner and Deputy Electoral Commissioner positions that there is a significant difference in the value of percentage wage increases for executives on total remuneration package arrangements in contrast to wage and salary earners. However, the Tribunal considers that this comparison demonstrates a significant shortfall in the Electoral Commissioner remuneration level.

42. The Tribunal considers that the Electoral Commissioner's remuneration should increase by \$25,000 per annum, with effect from 1 January 2023 to recognise the changes in work value. A similar increase should apply to the Deputy Electoral Commissioner role.
43. Accordingly the new salaries from 1 January 2023 will be: \$264,737 and \$195,000 respectively.
44. The effective date of these salary increases was taken into account in deciding on the quantum of the increases, noting that the last salary increases for these offices was 1 January 2021.
45. Again, the Tribunal notes that its conclusions in this respect are underpinned by the changes in work value such that they cannot form a basis for more generally applied remuneration increases.

The Health and Community Services Complaints Commissioner

46. The Health and Community Services Complaints (**HCSC Commissioner**) did not request a salary increase. Nevertheless the Tribunal considered this role in the context of other functions.
47. The Tribunal concluded that there are significant variations in the roles of health system complaint executives, so that direct comparisons with interstate roles are difficult. No substantial shortfall in remuneration levels could be discerned on the information available to the Tribunal. As there was no request to review work value changes, the Tribunal has concluded that the remuneration change for this position should take account of general economic data including public sector wage movements. Should the HCSC Commissioner seek to pursue increases on the basis of asserted work value changes, these will need to be established in the future.
48. The Tribunal has taken the following economic data into account:
 - a. The Consumer Price Index (All groups Adelaide) shows the following percentage changes from the corresponding quarters of previous years:
 - i. 3.3% for December 2021
 - ii. 4.7% for March 2022
 - iii. 6.4% for June 2022
 - iv. 8.4% for September 2022.
 - b. The Australian Bureau of Statistics Wage Price Index (Public Sector in South Australia) shows the following percentage changes from the corresponding quarters of previous years:
 - i. 1.2% for September 2021
 - ii. 1.4% for December 2021
 - iii. 2.0% for March 2022
 - iv. 1.7% for June 2022
 - v. 2.7% for September 2022.
 - c. As at November 2022 the Reserve Bank of Australia forecast of the Consumer Price Index is:
 - i. 8% for December 2022 quarter
 - ii. 6.3% for June 2023

- iii. 4.7% for December 2023
- iv. 4.2% for June 2024
- v. 3.2% for December 2024.

49. The Tribunal has noted the steps being taken to reduce the current inflationary trend and has adopted a cautionary approach to recognition of inflationary movements.
50. The Tribunal has concluded that an annual remuneration increase of 2.75% is applicable to this position, with effect from 1 January 2022. This effective date has been chosen, noting that this review commenced in June 2022 and the last salary increase for this position applied from 1 January 2021.

Communication Allowance

51. A communication allowance of \$800 per annum is paid to all four office holders in respect of their expenditure on mobile and landline telephones and internet usage, connected with their duties. While this rate was originally set in 2013, the Tribunal has generally reviewed the rate of the allowance each year.
52. This year, the Tribunal does not believe any increase is warranted, as the information generally available to the Tribunal does not demonstrate significant increases in communication costs.
53. The Tribunal also notes that when this rate was set in 2013, it excluded costs associated with mobile telephones on the understanding that these office holders may already be issued with mobile phones for business purposes. The Tribunal also explained the following in its report²:

The Tribunal wishes statutory office holders to whom this Determination applies to be aware that where a mobile phone is required for official duties and not provided by the employer for official duties out of the office, they may make application to the Remuneration Tribunal for an additional annual allowance.

54. Since 2019, reports and determinations of this Tribunal have stated that the \$800 communication allowance also covers expenditure on mobile telephones by all four office holders. Despite this, the rate of the allowance has not increased for this purpose, on the continuing understanding of the Tribunal that the office holders are issued (or eligible to be issued) with mobile telephones for work purposes.

Other determinations

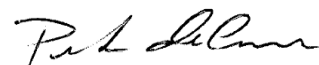
55. The Tribunal notes that all four office holders are covered by other determinations of the Tribunal which set conveyance allowances, accommodation and meal allowances, and salary sacrifice arrangements for judges, court officers, and statutory officers.



Matthew O'Callaghan
PRESIDENT



Deborah Black
MEMBER



Peter de Cure AM
MEMBER

Dated: 14 December 2022

² Remuneration Tribunal – Report Relating to Determination No 1 of 2013.