



No. 2 of 2020

**REPORT OF THE REMUNERATION TRIBUNAL**  
**REVIEW OF REMUNERATION FOR THE AUDITOR-GENERAL, ELECTORAL**  
**COMMISSIONER, DEPUTY ELECTORAL COMMISSIONER AND HEALTH AND COMMUNITY**  
**SERVICES COMPLAINTS COMMISSIONER**

## **INTRODUCTION**

1. The Remuneration Tribunal (“the Tribunal”) has jurisdiction under section 14 of the *Remuneration Act 1990* (“the Act”) to determine the remuneration, or a specified part of remuneration, of certain statutory office holders, as conferred by other Acts or by proclamation by the Governor.
2. This Report concerns the remuneration of the following statutory office holders:
  - 2.1. the Auditor-General;
  - 2.2. the Electoral Commissioner;
  - 2.3. the Deputy Electoral Commissioner; and
  - 2.4. the Health and Community Services Complaints Commissioner.

## **BACKGROUND**

3. The previous review of remuneration for the abovementioned statutory office holders was conducted in 2019, resulting in the Tribunal increasing the salaries of those office holders by 2 per cent, with an operative date of 1 January 2019.

## **PROCEDURAL HISTORY**

4. Section 10(2) of the Act provides that prior to the making of a Determination, the Tribunal must allow an affected person, or persons of an affected class, a reasonable opportunity to make submissions orally or in writing to the Tribunal.
5. Section 10(4) provides that the Minister responsible for the Act may intervene, personally or by counsel or other representative, in proceedings before the Tribunal for the purpose of introducing evidence, or making submissions, on any question relevant to the public interest.

6. The Tribunal wrote to the statutory office holders listed at paragraph 2 of this Report on 22 April 2020, notifying of the Tribunal's intention to review the previous Determination of remuneration for those offices.
7. On 22 April 2020, the Tribunal wrote to the Honourable Premier of South Australia ("the Premier"), as the Minister responsible for the Act, inviting submissions in the public interest.
8. In addition, on 27 April 2020, a notification of the review was placed on the Tribunal's public website.

## **SUBMISSIONS**

9. On 22 May 2020, the Tribunal received a submission on behalf of the Premier. That submission is summarised as follows:
  - 9.1. In relation to the 2020 review of salaries for Statutory Office Holders (specifically the Auditor-General, the Electoral Commissioner, the Deputy Electoral Commissioner and the Health and Community Services Complaints Commissioner) and the Tribunal's invitation by letter dated 22 April 2020, the Premier as the Minister responsible for the *Remuneration Act 1990* submits that the Remuneration Tribunal have regard to the following factors:
    - the economic indicia outlined in the Premier's submission; and
    - the movement in pay of executives in the public service operative from 1 July 2019.
  - 9.2. Although the Treasurer informed the South Australian Parliament that: "*...there will be a wage freeze for ministers and for members of parliament. There will also be a wage freeze for ministerial staff, and a wage freeze for public sector executives as opposed to public sector workers more generally.*" (Hansard: 29 April 2020) it is not proposed that that be applied to this review. Public sector executives had an increase in July last year and consistent with previous submissions, it is proposed that the Tribunal have regard to that July 2019 increase in determining the remuneration of the Statutory Officers.
  - 9.3. It is appropriate to give notice that consequent on implementation of the matter foreshadowed by the Treasurer in Hansard on 29 April 2020, that matter will be the subject of a submission to the Tribunal during the next annual review in respect of 2021.
10. No other submissions were received by the Tribunal.

## **CONSIDERATION**

11. The Tribunal has had regard to the economic background against which this review was conducted. That consideration includes the information referred to in the Premier's submission.
12. The Tribunal identified the following considerations:
  - 12.1. The Reserve Bank of Australia ("RBA") inflation forecast of -1% for the year ending June 2020;
  - 12.2. The RBA Gross Domestic Product forecast of -8% for the year ending June 2020 and -6% for the year ending December 2020;

- 12.3. Gross Domestic Product contraction of 0.3% for the March 2020 quarter, as measured by the Australian Bureau of Statistics (“ABS”).
- 12.4. A movement in the ABS Consumer Price Index for Adelaide of 2.4% for the year ending March 2020;
- 12.5. The Wage Price Index for Public Sector employment, as published by the ABS, was 2.1% for South Australia and 2.5% for Australia, for the year ending March 2020.
- 12.6. Monetary Policy decision of the Reserve Bank of Australia, dated 5 May 2020, Statement by Governor Philip Lowe of the RBA:

*“The Australian economy is going through a very difficult period and there is considerable uncertainty about the outlook. Reflecting this uncertainty, the Board considered a range of scenarios at its meeting. In the baseline scenario, output falls by around 10 per cent over the first half of 2020 and by around 6 per cent over the year as a whole. This is followed by a bounce-back of 6 per cent next year.”*

*“In the baseline scenario considered by the Board, the unemployment rate peaks at around 10 per cent over coming months and is still above 7 per cent at the end of next year. A lower unemployment rate than this is possible if the reduction in labour demand is accompanied by a larger reduction in average hours worked, rather than by people losing their jobs.”*

- 12.7. The Tribunal also considered movements in public sector remuneration. The *South Australian Modern Public Sector Enterprise Agreement: Salaried 2017* provides for weighted average salary increases of 2.3% in 2019. That enterprise agreement is currently the subject of negotiations and increases for 2020 and beyond are unable to be discerned at the time of this review.
- 12.8. The following table compares historical increases for the statutory office holders to whom this Report relates with those employees covered by the *South Australian Modern Public Sector Enterprise Agreement: Salaried 2017*:

Year	Increases in Salary for Statutory Office Holders (Remuneration Tribunal Determinations)	Weighted Average Increase for South Australian Modern Public Sector Enterprise Agreement: Salaried 2017
2015	0.0%	2.5%
2016	2.5%	2.5%
2017	2.4%	2.3%
2018	1.5%	2.3%
2019	2.0%	2.3%
<b>Cumulative percentage increase, 2015-2019</b>	<b>8.66%</b>	<b>12.48%</b>

- 12.9. The following table compares historical increases for the statutory office holders to whom this Report relates with public sector executives:

Year	Increases in Salary for Statutory Office Holders (Remuneration Tribunal Determinations)	General Increases in Salary for Public Sector Executives
2015	0.0%	2.5%
2016	2.5%	1.5%
2017	2.4%	1.5%
2018	1.5%	1.5%
2019	2.0%	2.0%
<b>Cumulative percentage increase, 2015-2019</b>	<b>8.66%</b>	<b>9.32%</b>

## CONCLUSION

13. The Tribunal has exercised its independent judgement in reviewing the levels of salary for the Statutory Office Holders to whom its Determination applies. In doing so, the Tribunal has considered the submissions made to the Tribunal, and all of the above data and information.
14. The Tribunal has also made itself independently aware of economic data and information as at the time of writing, which is outlined above. The conclusions drawn from that economic data and information are that the economic circumstances of the State at the time of this review are difficult, and will continue to be so for the foreseeable future.
15. The submission made on behalf of the Premier proposed that the Tribunal have regard to the previous increase awarded to Public Service executives, which was an increase of 2 per cent with effect 1 July 2019.
16. In the course of previous reviews, the Tribunal has had regard to general increases in the remuneration for Public Service executives, however, this should not be interpreted as a commitment to automatically link these two reference points. The Tribunal continues to preserve its independent discretion in relation to such matters.
17. The Tribunal is of the view that the economic background against which this review is conducted has significantly changed since 2019. On that basis, the Tribunal is not persuaded that awarding a 2 per cent increase to the relevant Statutory Office Holders is appropriate on this occasion.
18. The Tribunal does, however, have a desire to maintain increases in the remuneration of the relevant Statutory Office Holders within a reasonable range when compared to other Public Service executives.
19. Accordingly, the Tribunal has concluded that the rates of salary applicable to the offices specified at paragraph 2 of this Report will be increased by 1 per cent, with operative effect on 1 January 2020. The accompanying Determination will issue.
20. The Tribunal intends to conduct its next annual review for the abovementioned offices in the early part of 2021, having regard to, among other things, the economic circumstances of the State. The Tribunal will invite submissions from affected persons at that time, with ample notice provided for the making of submissions.

## COMMUNICATION ALLOWANCE

21. The Tribunal has reviewed the Communication Allowance applicable to the Statutory Office Holders listed at paragraph 2. In doing so, the Tribunal has had regard to the relevant statistical measure which forms the basis of consideration of the Communications Allowance.
22. The Tribunal has decided to make no adjustment to the level of the Communication Allowance on this occasion.



Matthew O'Callaghan  
**PRESIDENT**



Peter Alexander  
**MEMBER**



Pamela Martin  
**MEMBER**

Dated this 11<sup>th</sup> day of June 2020