

1990

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

REMUNERATION AND ALLOWANCES BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Industrial Relations,
Senator the Honourable Peter Cook)

REMUNERATION AND ALLOWANCES BILL 1990

OUTLINE

The Bill provides increased rates of salary for judicial office holders, Secretaries of Departments, Members of Parliament, holders of public offices and Office Holders of the Parliament.

The Bill provides a link between the basic salary of Members of Parliament and a salary level in the Senior Executive Service of the Australian Public Service, providing that after a certain period the salaries will be equal and an adjustment to the salary level of the SES level will result in a like adjustment to the basic salary level of Members of Parliament.

Other amendments are proposed to the Industrial Relations Act 1988 to provide that the salary of the President and Deputy Presidents of the Australian Industrial Relations Commission be set by the Remuneration Tribunal rather than linked to the salary of the Chief Judge and other Judges of the Federal Court, as is presently the case.

FINANCIAL IMPACT STATEMENT

The direct costs of the adjustment proposed (excluding indirect effects on costs of superannuation, etc.) are estimated to be approximately \$7m in a full year.

These costs are significantly less than would have been incurred had the Remuneration Tribunal Determinations been implemented in full.

NOTES ON CLAUSES

Part 1 - PRELIMINARY

Clause 1 : Short title etc.

The short title of the Act is specified in this clause.

Clause 2 : Commencement

This clause provides that Part 3 of the Act commences on 1 July 1990. The remainder of the Act commences on the date of Royal Assent.

Clause 3 : Operation of the Act

This clause provides that this Act amends the provisions of any Determinations made by the Remuneration Tribunal, or any provision of an Act providing remuneration and allowances to be determined by the Remuneration Tribunal or any inconsistent provision of the Judicial and Statutory Offices (Remuneration and Allowances) Act 1984.

Part 2 - REMUNERATION AND ALLOWANCES

Clause 4 : Remuneration and allowances of holders of judicial offices, etc.

This clause provides salary levels for judicial office holders and certain other public office holders. The salary rates are as set out in Schedule 1 of the Bill.

Clause 5 : Remuneration and allowances of Secretaries of Departments and holders of public offices

Under this clause, salary levels for Secretaries of Departments and certain full-time holders of public offices are increased. The new salary levels are set out in Schedule 2 of the Bill.

Clause 6 : Remuneration and allowances of Senators and Members of the House of Representatives

Under this clause, the basic salary for Members of Parliament is altered in accordance with Schedule 3.

Clause 7 : Ministers and Office Holders of the Parliament

This clause provides that additional salaries payable to Office Holders of the Parliament are as set out in Schedule 4 as from 1 July 1990.

Clause 8 : Appropriation

This clause provides for funds to be appropriated from the Consolidated Revenue Fund to meet the salary and allowance provided for under the Bill.

Part 3 - AMENDMENTS TO THE INDUSTRIAL RELATIONS ACT 1988

Clause 9 : Principal Act

This clause provides that the Principal Act for the purposes of Part 3 of the Bill is the Industrial Relations Act 1988.

Clause 10 : Remuneration and Allowances of Presidential Members etc

This clause amends section 21 of the Industrial Relations Act 1988 which provided that the salary and allowances of the President of the Australian Industrial Relations Commission be

the same as those applicable to the Chief Judge of the Federal Court of Australia, and for the salary and allowances of a Deputy President of the Australian Industrial Relations Commission to be the same as those applicable to a Judge of the Federal Court.

By operation of the amendments made by this clause, the salaries of the President and Deputy Presidents of the Australian Industrial Relations Commission will be determined by the Remuneration Tribunal.

Travelling allowances paid to the President and Deputy Presidents of the Australian Industrial Relations Commission will remain the same as those payable to the Chief Judge and Judges of the Federal Court of Australia, respectively.

SCHEDULE 1 - HOLDERS OF JUDICIAL AND OTHER OFFICES

This schedule sets out the rates of salary for specified judicial office holders and certain other public office holders.

The schedule also provides that until the new rates of salary take effect on 1 July 1990, the rates applicable to the offices prior to the making of Determination No.12 of 1990 of the Remuneration Tribunal continue to apply as if that Determination had not been made.

The schedule also makes provision for other allowances to be paid to certain of the specified office holders.

By virtue of clause 6 of the schedule, salary rates specified in the schedule will be adjusted in accordance with National Wage Case decisions made by the Australian Industrial Relations Commission.

SCHEDULE 2 - SECRETARIES OF DEPARTMENTS AND HOLDERS OF PUBLIC OFFICE

This Schedule sets out the rates of salary for Secretaries of Departments and Holders of Public Offices.

The Schedule also provides that, until the new rates of salary take effect on 1 July 1990, the rates applicable to the offices prior to the making of Determination No.12 of 1990 of the Remuneration Tribunal continue to apply as if that Determination had not been made.

SCHEDULE 3 - SENATORS AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

By operation of clause 6 of the Bill and this Schedule, the basic salary rate for Members of Parliament is set at \$58,300 with effect from 1 July 1990.

The salary rate will be increased by a further 6% from 1 January 1991 and from 1 July 1991 will be the same as the maximum rate set for Band 1 Senior Executive Service officers of the Australian Public Service.

Adjustments to the maximum salary rate for SES Band 1 officers will result in an adjustment by the same amount to the basic salary of Members of Parliament.

The Schedule also sets the rate of electorate allowances payable to Members of Parliament.

SCHEDULE 4 - MINISTERS AND OFFICE HOLDERS OF THE PARLIAMENT

This Schedule operates by virtue of clause 7 of the Bill and provides for additional salary rates for Office Holders of the Parliament, which will take effect from 1 July 1990.

The Schedule also provides that the applicable additional salary rates payable to the specified Office Holders of the Parliament for the period 1 January 1990 until 1 July 1990 are those that would have applied had Determination No.15 of 1990 of the Remuneration Tribunal not been made.

This Schedule also provides that the expenses of office allowance is payable to Ministers of State or other Office Holders of the Parliament from 1 July 1990.

By operation of clause 4 of Schedule 4, the rate of additional salary payable to Office Holders of the Parliament is increased by the same proportion as any increase which is made to the basic salary of Members of Parliament.