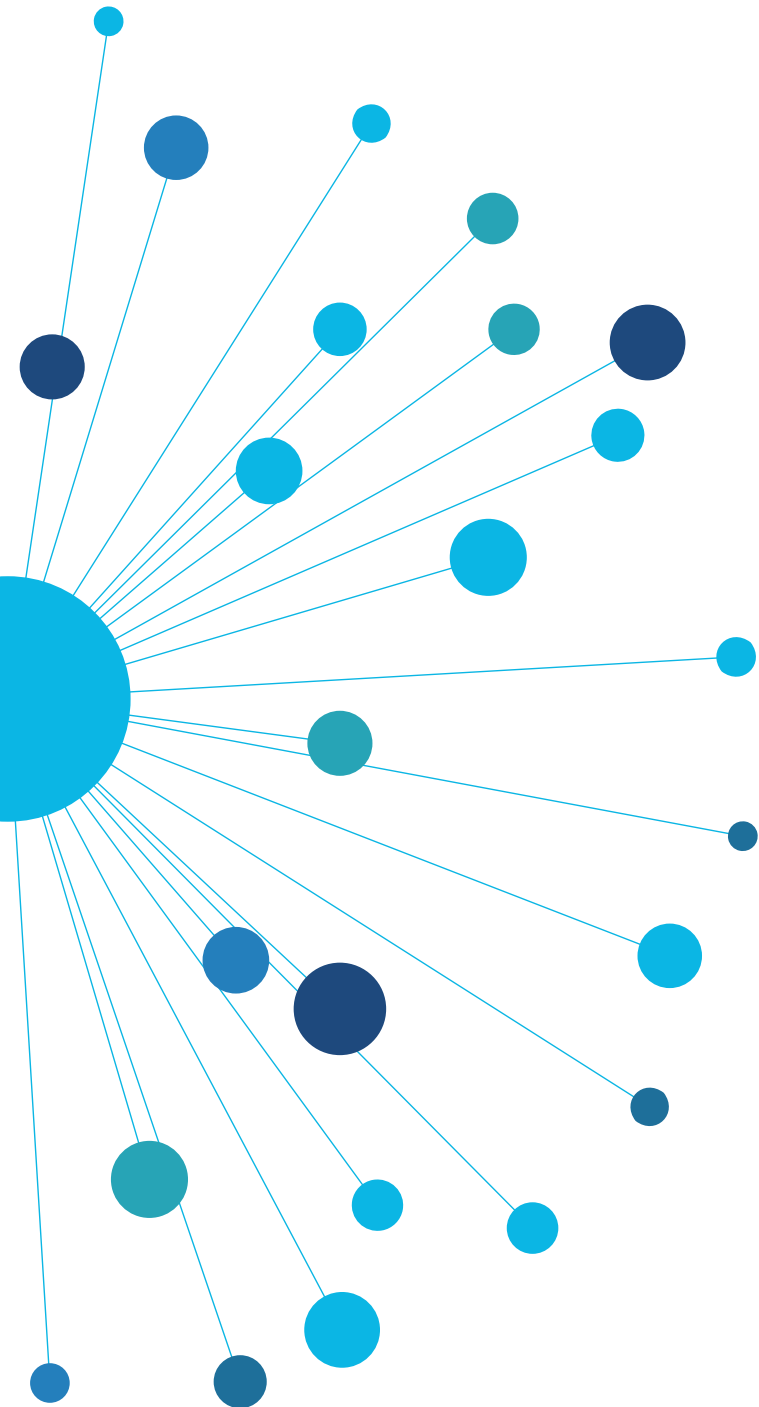


Queensland Independent  
Remuneration Tribunal

# Annual Report 2014–2015



# About the Annual Report

The Queensland Independent Remuneration Tribunal is required under the *Queensland Independent Remuneration Tribunal Act 2013* (the Act) to prepare and give to the Clerk of the Parliament a written report about the operations of the Tribunal during each financial year.

The Annual Report provides information on the Tribunal, the Tribunal's key achievements during 2014–2015, its priorities for 2015–2016 and a summary of the Tribunal's financial operations.

The Annual Report can be accessed online at [www.remunerationtribunal.qld.gov.au](http://www.remunerationtribunal.qld.gov.au)

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# Letter of compliance

7 September 2015

Mr Neil Laurie  
Clerk of the Parliament  
Cnr of George and Alice Streets  
BRISBANE QLD 4000

Dear Mr Laurie

I am pleased to present the Annual Report 2014–2015 for the Queensland Independent Remuneration Tribunal.

This is the second report issued under section 26 of the *Queensland Independent Remuneration Tribunal Act 2013* and complies with the provisions of that section.

Yours sincerely

A handwritten signature in black ink that reads "Tim Brailsford". The signature is written in a cursive style with a prominent initial "T".

**Professor Tim Brailsford**  
Chair

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# Message from the Chair

The last year marks the first full year of the Tribunal's operation, having been established part-way through the 2013–14 reporting period. The Tribunal's activity was more subdued this year compared to the very busy first few months following its establishment. Notwithstanding, some significant pieces of work were completed during 2014–15 and further improvements were made to maintaining a transparent, equitable and accountable remuneration framework.

The Tribunal issued four determinations during the course of the year. Perhaps the most significant of these was Determination 5/2014 which dealt with severance arrangements and travel entitlements for former members. This determination completed the original schedule of work and covered the final set of issues from the full reform of the remuneration system. Of note, Determination 5/2014 was issued in a timely manner to provide clarity and certainty in the lead-up to the Queensland State election held in January 2015.

The incoming Government introduced changes to the legislation under which the Tribunal operates and these amendments became operable recently on 1 June 2015. In effect, the major change is to limit the ability of the Tribunal to make a decision in respect of a salary rise. The legislation caps any increase in salary to that awarded to the public service. The legislative changes also revoked Determination 7/2015 which had been issued previously.

The Tribunal continues to operate effectively and on a timely basis notwithstanding the part-time nature of its members. Further, the Tribunal has again operated on a very modest budget and remains conscious of cost efficiency.

I thank my fellow members, David Harrison and Jo Jessop for their unwavering support, professionalism and utmost integrity. The Tribunal has had to deal with some difficult issues and challenging conversations, but at all times, members have conducted themselves impeccably.

On behalf of the Tribunal members, I offer sincere thanks to Mr Tim Herbert at the Secretariat and his staff who have offered generous support and helpful advice over the year. Mr Herbert has continuously juggled his busy schedule to meet the Tribunal's demands. Acknowledgment is also made of the work of the Research Officers who have expertly assisted the Tribunal's analysis; notably Ms Alexandra Brouwer who served so well until her maternity leave and who was then succeeded by the highly capable Ms Kerri Neuendorf.



**Professor Tim Brailsford**  
Chair

# About the Queensland Independent Remuneration Tribunal

## 1.1 Establishment

The Queensland Independent Remuneration Tribunal (the Tribunal) was administratively established as an independent entity on 16 July 2013 to review and decide the remuneration in connection with Members and former Members of the Queensland Parliament. On 9 August 2013, the Tribunal was established as an independent statutory authority under the *Queensland Independent Remuneration Tribunal Act 2013* (the Act).

## 1.2 Members

Under the Act, the Tribunal consists of three persons appointed by the Governor in Council. The inaugural Tribunal chair and members were appointed by the Governor in Council from 15 August 2013 for a term ending on 15 July 2016. Professor Tim Brailsford was appointed as Chair and David Harrison and Joanne Jessop were appointed as members.

Biographies of the members are provided below.



### Professor Tim Brailsford

Professor Brailsford is the Vice Chancellor and President of Bond University. Professor Brailsford's previous positions include Executive Dean at the University of Queensland, Dean at the Australian National University in Canberra, and other senior academic positions at the University of Melbourne and Monash University. Professor Brailsford's area of expertise is finance and investments. He holds a PhD, Masters and Honours degrees and is a Fellow of the Financial Services Institute of Australasia, Fellow of the Australian Institute of Management and Fellow of CPA Australia. He was appointed as the inaugural Frank Finn Professor of Finance at the University of Queensland.



### David Harrison

Mr Harrison is an experienced non-executive company director, having served on a variety of private and public sector boards since 1987, as well as having more than 30 years' experience in industrial relations. He is currently the Chairman of QMI Solutions Limited (since December 2004).

Mr Harrison has filled many directorships and chairman roles over the years, including the Workers' Compensation Regulatory Authority—QCOMP (2012 to 2014), Australia TradeCoast Limited (2005 to 2012), Ferny Grove Bowls Sports and Community Club Inc. (2008 to 2013), Port of Brisbane Corporation (1999 to 2010), QIC Limited (1998 to 2011), Brisbane Airport Corporation (2005 to 2012), Sunsuper Pty Ltd (1994 to 2005), Queensland Theatre Company (2001 to 2004) and Sugar Manufacturers of Australia Retirement Trust Pty Ltd (1987 to 1994). His industrial relations experience includes nine years as Queensland Secretary of the Australian Manufacturing Workers' Union and 10 years as Honorary President of the Queensland Council of Unions. In 2003, he was awarded the Centenary Medal for distinguished services to industrial relations and he is a Fellow of the Australian Institute of Company Directors.



## Joanne Jessop

Ms Jessop has served as Chief Executive Officer of Multicap since 2006 and is Chair of the Queensland National Disability Services committee. Ms Jessop has extensive international experience in senior management roles in the healthcare and human services sectors and holds an MBA from the University of Queensland. She is a graduate of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management, and a Director of CheckUp Australia.

### 1.3 Remuneration of Tribunal members

In establishing the Tribunal the remuneration of Tribunal members was assessed in accordance with the *Remuneration of Part-Time Chairs and Members of Government Boards, Committees and Statutory Authorities*<sup>1</sup>. These procedures apply to the majority of Queensland Government bodies.

Tribunal members are appointed on a part-time basis and are paid the remuneration and allowances decided by the Governor in Council being \$425 per half day meeting for the Chair and \$346 per half day meeting for members. The Chair and members are also entitled to receive payment for special assignments.

### 1.4 Roles and functions of the Tribunal

The Tribunal's functions are to review remuneration in connection with MPs and former MPs of the Queensland Legislative Assembly and make binding decisions, known as 'determinations' about this remuneration.

For the purposes of the Act, 'remuneration' refers to salary, allowances or entitlements in connection with an MP or former MP (including associated recipients such as spouses). It should be noted that there is now a cap on salary increases as a result of the *Parliament of Queensland and Other Acts Amendment Act 2015*.

In making a determination, the Tribunal may enquire into and inform itself of anything in the way it considers appropriate, for instance, it may seek and receive written or oral statements and is not bound by the rules of evidence. The Tribunal must have regard to effective and efficient processes in carrying out its functions.

Under the Act, the Tribunal must:

- consult with and consider the views of the Clerk of the Queensland Parliament (the Clerk)
- ensure any allowances paid to an MP reflect the amount of reasonable expenses incurred by an MP in servicing their electorate i.e. expenses to assist constituents
- ensure these allowances are not a substitute for other remuneration
- ensure accommodation, services or other entitlements mentioned in section 55 of the Act are not taken into account.

The Tribunal may consider the following principles:

- the value to the community of an MP carrying out their role, functions and responsibilities
- the importance of an MP being appropriately remunerated for carrying out their role, functions and responsibilities
- relevant laws that apply to MPs
- any other matter the Tribunal considers appropriate (e.g. the size of an MP's electorate).

<sup>1</sup> The remuneration policy has since been updated, now known as the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*.

In performing its functions, the Tribunal must also act independently, impartially and fairly. When reviewing the various components of MPs' remuneration the Tribunal has been independent, impartial and fair. The Tribunal has also taken into account the views of the community on these matters.

To ensure the Tribunal operates in a transparent manner, it must include written reasons for its determinations, provide a copy of the determination and reasons to the Clerk for tabling in Parliament and make the determination and reasons publicly available.

Section 55 of the Act provides that the Act (and therefore any Tribunal determination) does not prevent a person from receiving the following:

- accommodation and services provided by the Parliamentary Service at Parliament House
- accommodation and services provided in electorate offices, such as offices, staff, IT infrastructure and other major office equipment
- entitlements a minister or assistant minister receives to perform that role under the *Queensland Ministerial Handbook* ([www.premiers.qld.gov.au/publications/categories/policies-and-codes/handbooks/ministerial-handbook.aspx](http://www.premiers.qld.gov.au/publications/categories/policies-and-codes/handbooks/ministerial-handbook.aspx))
- entitlements the Leader of the Opposition receives to perform that role under the *Queensland Opposition Handbook* ([www.premiers.qld.gov.au/publications/categories/policies-and-codes/opposition-handbook.aspx](http://www.premiers.qld.gov.au/publications/categories/policies-and-codes/opposition-handbook.aspx))
- entitlements the Speaker of the Legislative Assembly receives under the *Guidelines for the Financial Management of the Office of the Speaker* ([www.parliament.qld.gov.au/members/entitlements](http://www.parliament.qld.gov.au/members/entitlements)).

## 1.5 Recent legislative changes

In March 2015, the new Government announced legislative changes to the Act which have the purpose of limiting the Tribunal's decisions in respect of a salary rise to that awarded to the public service. The Tribunal made a submission on these proposed changes and appeared before the hearing into the draft legislation held by the Finance and Administration Committee of Parliament.

On 1 June 2015 the *Parliament of Queensland and Other Acts Amendment Act 2015* enacted the amendments. The legislation provides for a new process for the Tribunal to follow when making determinations concerning the salaries of MPs such that any increase that the Tribunal awards is capped at the most recent increase awarded to the public service. It is expected that the first Tribunal decision following the legislative changes will be made within the required statutory timeframe after the next public service salary increase (currently scheduled for 1 December 2015).

The legislative reform also revoked Determination 7/2015 which had previously been issued. Further details about these changes are included in later sections of this annual report.

## 1.6 Secretariat support

In accordance with the Act the Tribunal receives assistance from the Chief Executive of the Department that administers the Act.

The Secretariat consists of two officers from the Department of the Premier and Cabinet who provide support to the Tribunal on a part-time basis.

The Secretariat has assisted the Tribunal in preparing meeting documents, drafting meeting minutes, completing action items, drafting research materials, compilation of submissions and drafting determinations and other reports as advised by Tribunal members. The Secretariat has also coordinated support for the Tribunal in relation to the website, design, communications, printing and other resourcing needs. This further support is provided in kind by relevant sections of the Department.



# 2 Key activities 2014–2015

## 2.1 Tribunal Determinations 2014–2015

During 2013–14, the Tribunal built a new remuneration structure for MPs. This work involved the Tribunal making determinations in respect of three key matters:

- The base salary of an MP
- The additional salary payable to office holders including the Premier and Ministers
- A complete overhaul and restructure of the allowances system.

In the current year, the Tribunal continued its work issuing four determinations covering areas of former MP entitlements, the allowances system, base salaries for MPs and an additional salary payable to a new office holder role. All Tribunal Determinations are available at [www.remunerationtribunal.qld.gov.au/determinations.aspx](http://www.remunerationtribunal.qld.gov.au/determinations.aspx).

## 2.2 Determination 5/2014

On 30 September 2014 the Tribunal issued Determination 5/2014 to address matters relating to former MP entitlements. Key aspects of the determination are outlined below.

The entitlements provided to former MPs can be grouped into two general categories being severance arrangements and travel entitlements.

### Severance arrangements

Previously, severance arrangements payable when an MP involuntarily exits Parliament included a Resettlement Allowance of either three months or six months of the base salary depending on the number of terms served by the MP, and subject to certain conditions, severance travel of two trips provided in the two weeks following the return of the relevant election writ.

The Tribunal considered that a severance payment of 12 weeks base salary should be provided to MPs (if certain criteria are met) to assist as necessary in their transition from public to private life and enable them to re-skill for an alternate career. To more accurately reflect the purpose of this payment the Tribunal termed it the 'Transition Allowance'.

The Tribunal determined that an appropriate approach is to provide a fair and consistent payment to all MPs after any length of term. As such the Tribunal has determined that a Transition Allowance be provided to MPs serving one term or more (including an MP elected at a by-election who serves until the next general election).

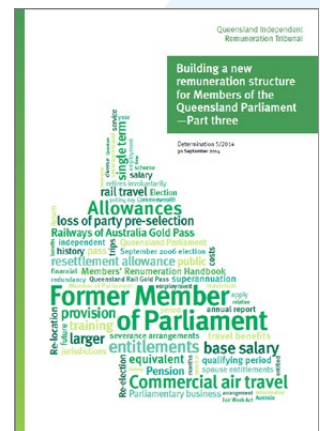
The new arrangements for the Transition Allowance were introduced with immediate effect.

### Travel entitlements

The Tribunal determined that all travel entitlements for former MPs, spouses, widows and widowers must be claimed and used by 31 December 2018 and there will be no further entitlements provided or claimable after 31 December 2018.

### Forfeiture of entitlements

The Tribunal determined that existing forfeiture provisions in the *Members' Remuneration Handbook* regarding misconduct and/or criminal conduct will continue to apply in relation to all former MP entitlements.



## 2.3 Determination 6/2014

Determination 6/2014 was issued on 11 November 2014 to make minor amendments to the allowances system following a review of the first six months' operation of the system which was implemented on 1 January 2014.

The review found that the new system was functional and that there had been full compliance. Analysis indicated that while the expenditure limits appear sound, the new system had some in-built rigidity that did not easily allow for the diversity of needs across the 89 MPs and their electorates.

There was a minor amendment to allow a transfer from underspent to overspent allowances in recognition that not all electorates are the same. Other small changes included a re-organisation and new definitions of the expenditure categories, particularly in the Electorate Allowance and removing the individual non-receipted transaction limit.

## 2.4 Determination 7/2015

On 5 March 2015 the Tribunal handed down Determination 7/2015 to set the new base salary for an MP and make consequent adjustments to the additional salary of office holders, effective from 6 April 2015.

As discussed above, the Determination was subsequently revoked on 1 June 2015 by the *Parliament of Queensland and Other Acts Amendment Act 2015*. While the revocation means that the Determination has no effect, the analysis contained in the report remains valid.

## 2.5 Determination 8/2015

Following the passing of the resolution that the Office of Deputy Opposition Whip be approved as a new office holder role entitled to be paid an additional salary, the Tribunal was asked to set the additional salary payable to the office.

On 12 May 2015 the Tribunal issued Determination 8/2015 to set the additional salary payable to the Office of the Deputy Opposition Whip, effective from 27 March 2015.

## 2.6 Code of Conduct

On establishment, the Tribunal adopted the Code of Conduct for the Queensland Public Service as an interim measure. The Tribunal has since developed its own Code of Conduct. The Secretariat consulted the Public Service Commission that confirmed it complies with the *Public Sector Ethics Act 1994* and is consistent with the Code for the Queensland Public Service. In accordance with the *Public Sector Ethics Act 1994*, the Code has been approved by the Premier as the Minister administering the Act.

The Code is part of the Tribunal's publication scheme and is available at [www.remunerationtribunal.qld.gov.au](http://www.remunerationtribunal.qld.gov.au)

## 2.7 Tribunal meetings

The Tribunal held meetings on 12 occasions from 1 July 2014 to 30 June 2015. Meetings were generally held in Brisbane at the Executive Building, 100 George Street or Parliament House. The majority of meetings were held in person, however technology was used on occasion to enable members to remotely attend Tribunal meetings as necessary. Tribunal members communicated via e-mail outside formal meetings to draft and finalise documentation. Minutes were produced for each meeting in accordance with the Act.



## 3 Priorities for 2015–2016

The Tribunal will continue to review remuneration arrangements.

The Tribunal will undertake another review of the allowances system in the second half of 2015. It has consulted with the Clerk of the Parliament to obtain data which are integral to assisting the Tribunal in this review and has written to all MPs seeking feedback. A further determination will be published by the Tribunal before the end of 2015.

Recent legislative changes outline how the Tribunal is to make a determination about salary entitlements of MPs such that any increase that the Tribunal awards is capped at the most recent increase awarded to the public service. With the next public service salary increase scheduled for 1 December 2015, the Tribunal has up to 90 days to conduct a review of the base and additional salaries and issue a determination about MP salaries.

# Financial statement

The Financial statement for the Tribunal has been prepared on an accrual basis in accordance with the prescribed requirements. The Department of the Premier and Cabinet provides Secretariat support to the Tribunal.

The revenues and expenses recognised for the Tribunal do not include allocations for corporate support and executive management services which are provided in-kind by the Department of the Premier and Cabinet.

## Financial Statement for period 01 July 2014 to 30 June 2015<sup>1</sup>

	NOTE	2014–2015	2013–2014
	2		
<b>Revenue from ordinary activities</b>		<b>\$</b>	<b>\$</b>
Departmental services revenue		24,922	156,987
<b>Total revenue from ordinary activities</b>		<b>24,922</b>	<b>156,987</b>
<b>Tribunal Member Fees and related costs</b>	3	<b>22,181</b>	<b>52,164</b>
<b>Expenses from ordinary activities</b>			
<b>Establishment costs</b>			
Salaries and wages and related costs		-	76,735
Salary-related taxes		-	2660
Superannuation		-	5545
<b>Total establishment costs</b>	4	<b>-</b>	<b>84,940</b>
<b>Supplies and services</b>			
Consultancy and Contractors		-	2820
Consumables		823	1181
Legal costs		-	3231
Parking		-	39
Printing and communication costs		1645	11,389
Telecommunications costs		273	1008
Travel costs		-	215
<b>Total supplies and services</b>		<b>2741</b>	<b>19,883</b>
<b>Total expenses from ordinary activities</b>	4	<b>24,922</b>	<b>156,987</b>
<b>Net Operating Result</b>		<b>-</b>	<b>-</b>

## Notes to and forming part of the financial statement

1. This financial statement for the Tribunal and associated notes have not been audited. Full audited statements will be available in the Department of the Premier and Cabinet 2014-2015 Annual Report.
2. Comparative data has been included for the Tribunal for the period ended 30 June 2014. This comparative data was in its first year of operation.
3. The table below provides total remuneration for members of the Tribunal. This table includes actual payments made to members, not accruals or other state obligations.

### 2014–15

REMUNERATION TABLE			
Member	Short Term	Post Employment	Total Remuneration
BRAILS福德, Timothy J	\$ 8000	\$ 760	\$ 8760
HARRISON, David H	\$ 6402	\$ 608	\$ 7010
JESSOP, Joanne B	\$ 7735	\$ 735	\$ 8470
	<b>\$ 22,137</b>	<b>\$ 2103</b>	<b>\$ 24,240</b>

### 2013–14

REMUNERATION TABLE			
Member	Short Term	Post Employment	Total Remuneration
BRAILS福德, Timothy J	\$ 16,770	\$ 1551	\$ 18,321
HARRISON, David H	\$ 14,581	\$ 1349	\$ 15,930
JESSOP, Joanne B	\$ 14,313	\$ 1324	\$ 15,637
	<b>\$ 45,664</b>	<b>\$ 4224</b>	<b>\$ 49,888</b>

4. Total expenses for the period ended 30 June 2014 included establishment costs associated with the initial set up of the Tribunal. These establishment costs were non-recurrent which is reflected in total expenses for the period ended 30 June 2015.