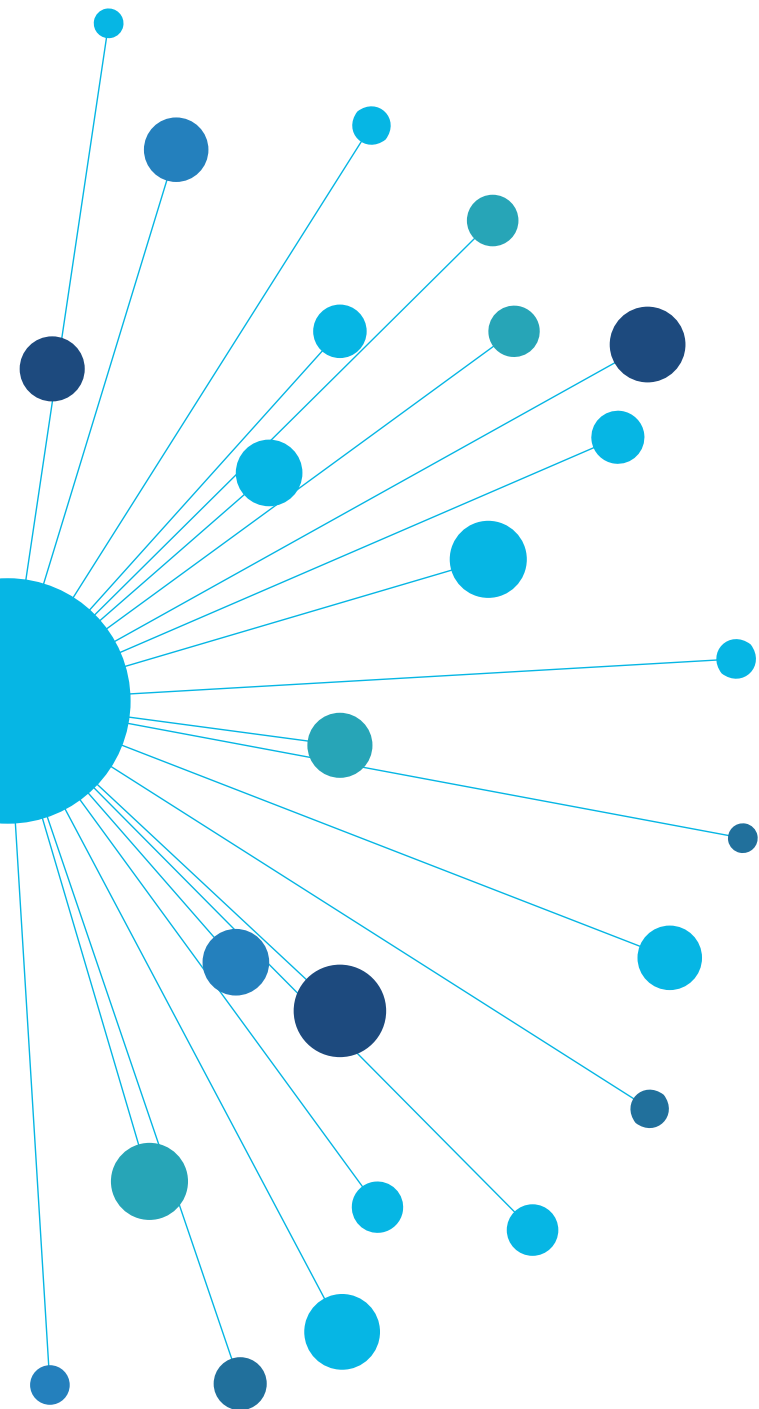


Queensland Independent  
Remuneration Tribunal

# Annual Report 2015–2016



# 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 2015–2016, its priorities ahead 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)

ISSN: 2203-9341

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# Letter of compliance

15 July 2016

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 2015–2016 for the Queensland Independent Remuneration Tribunal.

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

Yours sincerely



**Professor Tim Brailsford**  
Chair

# Table of Contents

	Message from the Chair	1
1	About the Queensland Independent Remuneration Tribunal	3
	1.1 Establishment	3
	1.2 Members	3
	1.3 Remuneration of Tribunal members	3
	1.4 Roles and functions of the Tribunal	3
	1.5 Code of conduct	4
	1.6 Secretariat support	5
2	Key activities 2015–2016	6
	2.1 Tribunal Determinations 2015–2016	6
	2.2 Determination 9/2015	6
	2.3 Determination 10/2016	7
	2.4 Determination 11/2016	7
	2.5 Tribunal meetings	7
3	Priorities ahead	8
4	Financial statement	9

# Message from the Chair

The Queensland Independent Remuneration Tribunal (Tribunal) Annual Report for 2015–2016 draws to an end the first triennium of the Tribunal's operations. The end of this period also draws to a close the terms of the three inaugural members of the Tribunal.

The Tribunal was established in August 2013 and since that time it has worked diligently on an area of major policy reform concerning the remuneration of Members of Parliament in Queensland. The Tribunal has published eleven Determinations over the period, averaging just under four per year. These Determinations have covered a range of policy matters including revisions to the base salary, classifications and relativities of additional salaries payable to various office holders, a complete overhaul of the allowances system, implementation of a new administrative set of processes and procedures for allowances, entitlements of former Members and a series of definitions and clarifications in the *Members' Remuneration Handbook*.

In 2015–2016 the Tribunal issued three Determinations.

- Determination 9/2015 – *Review of the Allowances System 2015*
- Determination 10/2016 – *Review of Salary Levels of Members of the Queensland Parliament*
- Determination 11/2016 – *Additional Salary of the New Office of Minister and Leader of the House*

These three Determinations dealt with the core business of the Tribunal involving salaries and allowances. Each of these Determinations were accompanied by media advice, a press statement and the Chair was available for interview or comment around the time of release.

Despite the significant amount of work undertaken by the Tribunal there remains a substantial ongoing work load. There is the matter of another determination in relation to the base salary which is required within a short timeframe by legislation. There is also an emerging issue relating to the forthcoming change in the number of electorates in Queensland. I wish the new Tribunal members well in tackling these assignments.

The Tribunal is now well established and very good working relationships exist between Tribunal members, the Secretariat and staff, and the Clerk of the Parliament. These relationships have been built on trust and respect and they have enabled collegiate discussions and a sharing of ideas and open advice.

On behalf of the Tribunal members, I offer sincere thanks to Mr Tim Herbert at the Secretariat and his staff who have provided a highly responsive service that at all times has been supportive and generous in its helpful advice over both the current year and past triennium. Mr Herbert has continuously juggled his staff and resources in addition to his own commitments to meet the Tribunal's demands. Acknowledgment is also made of the high quality work of the Research Officers who have expertly assisted the Tribunal's analysis since inception: Ms Jessica Barge, Ms Alexandra Brouwer, Ms Kellie Moule and Ms Kerri Neuendorf. Thanks must also be given to Ms Kaytee Faulkner for her administrative and logistical support of the Tribunal.

I acknowledge the Clerk of the Parliament, Mr Neil Laurie and his staff particularly Mr Michael Hickey. The Tribunal has established a constructive, respectful and professional working relationship with the Clerk and his advice and assistance has been appreciated.

Other members of the public service who have assisted the Tribunal in its work include the Government Statistician, Government Actuary, Ms Lyn Melcer of QSuper and Mr Andrew Timperley.

Finally, I thank my fellow members, Mr David Harrison and Ms Jo Jessop for their unwavering support, professionalism and utmost integrity. The Tribunal has had to operate under difficult circumstances at times and has been subject to a variety of pressures. However the members have, at all times, conducted themselves impeccably having due regard to legislative obligations and the best interests of the State. It has been a most interesting journey over the past three years and the Tribunal members both collectively and individually should feel proud of what they have achieved.



**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 *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 foundation chair and members were appointed by the Governor in Council from 15 August 2013 for a term that ended on 15 July 2016. Professor Tim Brailsford was appointed as Chair and David Harrison and Joanne Jessop were appointed as members.

At the date of writing this report the new members of the Tribunal have not been announced.

## 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). Since the Tribunal's establishment there has been an amendment to the Act through the *Parliament of Queensland and Other Acts Amendment Act 2015* which has the effect of capping salary increases to that received by core public service employees.

In making a determination, the Tribunal may inquire 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.

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

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).

In performing its functions, the Tribunal must also act independently, impartially and fairly. When reviewing the various components of 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* <<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* <<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 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. This Code 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)



## 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 assists 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 also coordinates 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 of the Premier and Cabinet.



# 2 Key activities 2015–2016

## 2.1 Tribunal Determinations 2015–2016

As noted earlier, this third annual report draws to a close the first triennium of the Tribunal's work. The activities of the Tribunal during the last year could be described as steady-state business. After undertaking major reforms to the structure of remuneration and an overhaul of the allowances system in 2013–14 and to a lesser extent in 2014–15, this current year has focussed on the core matters of salary and allowances.

During 2015–2016, the Tribunal issued three Determinations. These determinations included a review of the operations of the reformed allowances system, a review of the base salary and consideration of an additional salary payable to a newly created office.

All Tribunal Determinations are available at [www.remunerationtribunal.qld.gov.au/determinations.aspx](http://www.remunerationtribunal.qld.gov.au/determinations.aspx)

## 2.2 Determination 9/2015

On 30 October 2015 the Tribunal issued Determination 9/2015 which reviewed the allowances system focussing on operational matters that had arisen following the significant overhaul that had been implemented in the previous year.

The Tribunal changed the system of MP allowances when it handed down Determination 1/2013 on 15 October 2013. The previous system of over 30 allowances was collapsed into three general allowances covering electorate expenses, information and communication expenses, and travel expenses. The changes also involved the establishment of new expenditure limits associated with each allowance, and the introduction of an acquittal and reporting process to enhance accountability and transparency.

In 2014, the new system was reviewed after its first six months of operation which included an analysis of expenditure data. The Tribunal's findings were published in Determination 6/2014, handed down on 11 November 2014. Various minor adjustments were made to the allowances system in that Determination designed to increase flexibility while maintaining accountability and transparency.

Determination 9/2015 reported on a review following the first full year of operation of the new allowances system. A major outcome from the review was a structural change to the allowances system. Effective from the current financial year, the two allowances known as the Electorate Allowance and the Information and Communication Allowance have been merged into a single allowance called the Electorate and Communication Allowance. This change provided for some increased flexibility and improved operational efficiencies across the electorates in Queensland while retaining the accountability and transparency of the current system.

The review also considered travel allocations with particular focus on the largest regional electorates in which MPs face the most significant challenges in traversing their electorates. The review identified a need to provide sufficient funding for MPs to cover travel costs within their electorates thereby further enabling them to serve and respond to community needs within their quite large geographical regions. Consequential changes were made to General Travel Allocations and Motor Vehicle Allowances in the larger electorates.

The review also considered a number of minor matters including the introduction of clearer guidelines on when electorate staff may claim travel costs from an MP's allowance.

## 2.3 Determination 10/2016

Determination 10/2016 which was issued on 12 January 2016 reviewed the salaries of MPs and consequently set the new base salary and adjustments to the additional salaries payable to office holders.

The review followed the legislative changes introduced in June 2015 that place a requirement on the Tribunal to consider the salaries of MPs within 90 days of any increase awarded to employees in the core public service. A new public service salary decision Directive 5/15 was issued on 1 December 2015. That Directive provided for a 2.5% increase effective to certain employees in the public service back-dated to 1 September 2015.

In addition to considering changes in base salary in comparable jurisdictions, the Tribunal considered a range of factors and economic indicators. In particular, the Tribunal placed particular weight on forward estimates and economic forecasts.

The Tribunal determined an increase of 1.73% to the base salary. The Tribunal also determined an increase of 1.73% to the additional salaries of office holders to ensure that relativities within and between office holders is maintained.

## 2.4 Determination 11/2016

On 8 March 2016 the Tribunal handed down Determination 11/2016 which dealt with the additional salary payable to a new Office.

On 16 February 2016, the Legislative Assembly approved that the Office of Minister and Leader of the House be created as an Office entitled to be paid an additional salary. In the previous Parliament, the position of Leader of the House was linked with the Office of Assistant Minister. However in the current Parliament the position of Assistant Minister and Leader of the House is no longer occupied, rather the Legislative Assembly has created the new position of Minister and Leader of the House.

As this position had not previously been in existence since the establishment of the Tribunal, an additional salary for this new role needed to be considered.

The Tribunal considered the responsibilities of the Office of Minister and Leader of the House and compared these to other Offices. The Tribunal concluded that the Office of Minister and Leader of the House has a higher level of responsibility than that of a Minister, and falls between that of the Office of a Minister and the Office of Deputy Premier. A consequent additional salary for the position was established.

## 2.5 Tribunal meetings

The Tribunal held meetings on six occasions from 1 July 2015 to 30 June 2016. Meetings were generally held in Brisbane at the Executive Building, 100 George Street or at 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 phone and e-mail outside formal meetings to draft and finalise documentation. Minutes were produced for each meeting in accordance with the Act.

In addition the Tribunal met, and corresponded, with the Clerk of the Parliament on a regular basis.

## Priorities ahead

The Tribunal has some pressing matters that will require decisions over the next twelve months.

First, the Tribunal is required under legislation to make a new decision in respect of the base salary.

On 1 June 2016 the 'State Government Entities Certified Agreement 2015' was certified by the Queensland Industrial Relations Commission. Salary increases of 2.5% apply to public service employees on 1 September of each year (commencing 1 September 2015) until the Agreement expires on 31 August 2018. This decision by the Queensland Industrial Relations Commission activates the requirement under the Act for the Tribunal to issue a Determination on the salary (base and additional salary) payable to MPs within 90 days.

The Tribunal has sought advice on the interpretation of changes to the Act passed in June 2015. The advice received is that a Determination is required in relation to the salary that matches the timing of any industrial agreement with the public service. Hence, the Tribunal is required to make a decision in respect of any adjustment to the salary for 1 September 2015, 1 September 2016 and 1 September 2017 and must do so by 29 August 2016. Further the Tribunal will not have the ability to revisit this issue again until the date of the next public service Agreement.

Given that it has been almost three years since the Tribunal last undertook broad public consultation, the Tribunal may also consider engaging in a further round of consultation and seek the views from the public before issuing a determination on salary, particularly one that will set the salary levels for the next two years. However the tight timeframes involved will be challenging for the Tribunal to complete public consultation and subsequently issue a determination by the required date.

Second, the Tribunal has flagged in its work plan that at least in the early years of the new allowances system an annual review should be conducted. The first review of the new system was undertaken in Determination 6/2014 however this review only covered the first six months of operation. The first full review covering twelve months of operation was completed in Determination 9/2015 (as discussed above) in the current reporting period. Thus it is prudent that another review be conducted later in 2016 after the data from the 2015–2016 financial year are available. As with the matter of salary, this review will benefit from being informed by public consultation.

Third, in April this year the Parliament passed a bill that increased the number of electorates from 89 to 93. This change when combined with a formal Redistribution Commission that has been established will inevitably require the Tribunal to review the various allowances and in particular the rates between the electorate bands and the classification of specific electorates into the bands. The outcomes of a state redistribution include an adjustment of voters within electoral districts, an extension or reduction of boundary areas to alter the balance of electors and possible amalgamation of smaller electoral districts into one larger area. The boundaries will now need to be set for 93 electorates. Whatever the outcome, there will need to be consideration of and change to some of the allowances.

An associated issue that will need to be revisited is the matter of overnight allowances especially in relation to overnight stays in Brisbane. At present the Parliamentary Annexe does not have a sufficient number of rooms to accommodate all 89 MPs during sittings of Parliament. The Tribunal has previously addressed this through adjustments to the travel allowances to accommodate late night sittings for Brisbane-based MPs who are not allocated accommodation in the Annexe. However the matter will become more complex with an additional four MPs who are all likely to be from distant electorates. The Tribunal will need to review the matter in advance of the next electoral cycle.

These projects are in addition to any other matters that may be referred to the Tribunal and also in addition to routine work such as maintenance of the *Members' Remuneration Handbook*, currency of the website, attending to matters of the media and various correspondence.

# Financial statement

The Financial statement for the Queensland Independent Remuneration Tribunal (the Tribunal) has been prepared on an accrual basis in accordance with the prescribed requirements. The Department of the Premier and Cabinet provide 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 2015 to 30 June 2016<sup>1</sup>

	NOTE	2015–2016	2014–2015
	2		
<b>Revenue from ordinary activities</b>		\$	\$
Departmental services revenue		15,193	24,922
<b>Total revenue from ordinary activities</b>		<b>15,193</b>	<b>24,922</b>
<b>Tribunal Member Fees and related costs</b>	3	<b>11,542</b>	<b>22,181</b>
<b>Expenses from ordinary activities</b>			
<b>Establishment costs</b>			
Salaries and wages and related costs		-	-
Salary-related taxes		-	-
Superannuation		-	-
<b>Total establishment costs</b>		<b>-</b>	<b>-</b>
<b>Supplies and services</b>			
Consultancy and Contractors		-	-
Consumables		318	823
Legal costs		1885	-
Parking		127	-
Printing and communication costs		222	1645
Telecommunications costs		545	273
Travel costs		553	-
<b>Total supplies and services</b>		<b>3651</b>	<b>2741</b>
<b>Total expenses from ordinary activities</b>		<b>15,193</b>	<b>24,922</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 2015–2016 Annual Report.
2. Comparative data has been included for the Tribunal for the period ended 30 June 2015. This comparative data was for the Tribunal's second 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.

### 2015–2016

REMUNERATION TABLE			
Member	Short Term	Post Employment	Total Remuneration
BRAILS福德, Timothy J	\$ 4742	\$ 442	\$ 5184
HARRISON, David H	\$ 2248	\$ 205	\$ 2453
JESSOP, Joanne B	\$ 3573	\$ 331	\$ 3904
	<b>\$ 10,563</b>	<b>\$ 979</b>	<b>\$ 11,542</b>

### 2014–2015

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>