

STATUTORY AND OTHER OFFICES REMUNERATION ACT 1975

REPORT AND DETERMINATION PURSUANT TO SECTION 14(2) OF THE ACT

REPORT:

1. On 4 October 2000 the Premier of New South Wales, the Hon Bob Carr MP, directed the Statutory and Other Offices Remuneration Tribunal (SOORT), pursuant to section 14 of the *Statutory and Other Offices Remuneration Act 1975* (the Act), to make a determination concerning the salary to be paid to the Members of the Residential Tribunal (RT).
2. The RT is an independent decision making body which hears and determines applications made under the following legislation: *Residential Tenancies Act 1987*; *Retirement Villages Act 1989*; *Residential Tribunal Act 1998*, *Residential Parks Act 1998*, *Strata Schemes Management Act 1996*; and *Community Land Management Act 1989*. This includes disputes concerning illegal use of rented homes, rent arrears, repairs, bond and compensation claims, and strata and community schemes. A conciliation and adjudication service is provided for all matters before the RT.
3. The Minister's submission to the Premier requests that the Tribunal consider two issues in relation to the RT. Firstly, that the Tribunal consider the disparity in remuneration paid to Members of the RT and Members of the Fair Trading Tribunal (FTT). Secondly, that the Tribunal make a determination in respect of the remuneration for the Deputy Chairpersons and Senior Members of the RT, and if required, review the remuneration of all Members of the RT.
4. In regard to the first issue, the Tribunal does not determine remuneration on the basis of retaining former salary relativities, establishing salary parity on the basis on existing similarities in role, or establish links with judicial remuneration. In its 1999 annual determination the Tribunal made the following observations.

'The Tribunal will not link the remuneration of these office holders with any in the Judges Magistrates and Related Group. Since the creation of the 'Tribunals Court Officers and Related Group' in 1990 (now called the Public Office Holders Group), the Government has consistently expressed the view that while it recognises the relationship between the salaries of some public offices in this Group and judicial remuneration it is not in favour of a direct nexus with the remuneration of the Judges

Magistrates and Related Group. This was reinforced in the Government's submission for the current review. The Tribunal has long agreed with this view and sees no reason why it should be amended.

Linking remuneration between different office holders, because of past relativities, is also not considered appropriate. Comparative wage justice was a feature of remuneration setting in Australia until the early 1980s when economic imperatives required new forms of wage fixing to be developed. Throughout the 1980s and 1990s changes in work value and productivity improvements have been used by remuneration fixing bodies to assess the movements in remuneration. Any specific increases awarded to industry groups or individuals have no flow on effect to other industry groups or individuals simply because of an historical salary relativity. This is consistent with the approach of the Tribunal.'

5. The Tribunal considers applications from Public Office Holders for salary reviews on a case by case basis. In doing so, the Tribunal retains the flexibility to determine the appropriate remuneration for this diverse group.
6. In 1999 the Tribunal determined that an additional increase in salary was warranted for Members of RT on the basis of their increased role and responsibilities.
7. In 2000 the Tribunal determined a small increase in salary for the Senior Members and Members of the FTT. This increase was based on their submission and approved on the grounds of greater responsibility and clarity of roles following the FTT's initial year of operation.
8. The Tribunal did not receive a submission from the RT for consideration during its 2000 annual review. For 2000 the Tribunal determined that the remuneration for the Chairperson of the RT be \$142,440 and for Members \$115,135 with effect from 1 October 2000. These salaries will increase to \$145,290 and \$117,440 respectively from 1 April 2001.

9. The Tribunal does not consider that any further change in the level of the Chairperson's and Members remuneration is warranted at this time. The Tribunal has been advised that a review of the structure and roles of the RT and the FTT was recently completed. While the outcome of the review is not yet known, the Minister for Fair Trading has advised that any structural changes arising from the recommendations of the review will not be implemented prior to 1 July 2001.
10. Having regard to this advise, the Tribunal considers it inappropriate to review the remuneration of the Chairperson and Members of the RT at this time. The Tribunal is however, prepared to examine this matter further at the time of the annual review when the recommendations of the Minister's review have been implemented.
11. In regard to the second issue, the Minister had advised that the positions of Deputy Chairperson and Senior Member, which are established for under section 7 of the *Residential Tribunal Act* 1998, have been created and it is necessary to determine their remuneration prior to advertising and filling these positions.
12. The Minister's submission has advised that the Deputy Chairperson will carry out any delegated functions of the Chairperson as executive head of the RT. They will also undertake the role of executive heads of the specialist divisions of the RT, in addition to their duties as Members sitting as the Tribunal. The role of the Senior Members of the RT will differ from that of ordinary Members in that they may be responsible for the coordination of a Division of the RT and may be required to undertake the more complex or lengthy matters before the Tribunal.
13. The Tribunal has given careful consideration to the submissions received and the roles and responsibilities of the new office holders and has determined that the Deputy Chairperson of the Residential Tribunal should receive a salary of \$128,195 from 26 February 2001, increasing to \$130,760 from 1 April 2001. The Senior Members of the Residential Tribunal will receive \$121,075 with effect from 26 April 2001, increasing to \$123,495 from 1 April 2001. This second increase is in line with a general increase determined by the Tribunal in its 2000 annual determination for Public Office Holders.

DETERMINATION:

Pursuant to section 14(2) of the Statutory and Other Offices Remuneration Act 1975, I determine that the salary payable to the Chairperson and Members of the Residential Tribunal shall remain at those levels determined by the Tribunal in its 2000 annual determination. The salary payable to the Deputy Chairperson of the Residential Tribunal shall be \$128,195 and the salary payable to the Senior Members of the Residential Tribunal shall be \$121,075 with effect from 1 March 2001. These salaries will increase to \$130,760 and \$123,495 respectively from 1 April 2001.

The Statutory and Other Offices **Remuneration Tribunal**

Gerry Gleeson

Dated: 13 March 2001