

## **REPORT OF THE SALARIES AND ALLOWANCES TRIBUNAL**

### **REMUNERATION OF JUDGES, DISTRICT COURT JUDGES, MASTERS OF THE SUPREME COURT, MAGISTRATES AND THE PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION**

1. Section 7 of the *Salaries and Allowances Act 1975* ('the Act') requires the Tribunal, at intervals of not more than twelve months, to inquire into and report to the responsible Minister in relation to possible changes in the remuneration paid or provided to Judges, District Court Judges, Masters of the Supreme Court, Magistrates and the Parliamentary Inspector of the Corruption and Crime Commission. The Act provides that if the Tribunal reports that alterations are desirable, it shall recommend the nature and extent of the alterations to be made.
2. The last report was issued by the Tribunal on 24 June 2014.
3. In discharging its statutory requirements with respect to the remuneration of the judiciary, the Tribunal's approach has been to:
  - Advertise for public submissions;
  - Write to key office holders; and
  - Consider relevant labour market and economic data.
4. An advertisement calling for public submissions to the inquiry appeared in *The West Australian* newspaper on Wednesday, 1 April 2015 with a closing date of Friday, 24 April 2015. The advertisement was appeared on the Tribunal's website at <http://www.sat.wa.gov.au/LatestNews/Pages/Default.aspx>
5. In exercising its statutory responsibilities, the Tribunal applies broad principles upon which levels of remuneration are determined for all categories of offices and positions coming within the scope of the Act. These principles, particularised to the judiciary, have been applied by the Tribunal to assess remuneration and entitlements. These principles are:
  - the value of the judicial offices to the State and our democratic system of government;
  - measures of the "work value" of judicial offices; and
  - the level of remuneration of judicial offices within the context of wage and salary rates applying generally in the community.
6. It is the Tribunal's view that in reviewing levels of remuneration for public offices within its jurisdiction, it is important to have regard for issues relevant to the community in this

State. While interstate comparisons are useful, it is important that they do not become the primary focus upon which an inquiry should be determined.

7. The Tribunal noted a number of serious economic challenges facing Western Australia. In the 2015 Budget, the Treasurer described the current economic situation as “the most challenging economic and fiscal environment the State has faced in at least the last three decades”. General Government revenue in 2015-16 is estimated to be \$1.6 billion or 5.8% lower than actual revenue in 2013-14.
8. The Tribunal has also noted:
  - the State’s economic performance has been affected by the transition of resource projects from construction to production phase, along with substantial drop in commodity prices;
  - declining business confidence reflected in employers reducing capital expenditure and employment levels;
  - increasing unemployment and redundancies, which are predicted to rise further;
  - declining wages in the wider community; and
  - extremely low levels of inflation, which has meant that the cost of living for WA employees has not significantly changed compared to this time last year.
9. The challenging economic environment is apparent throughout the State. The Tribunal noted significant numbers of redundancies in the mining sector, pay freezes or pay cuts in the private sector, public sector budget constraints and efficiency measures. Predictions that the unemployment rate could increase to 6.25% in 2015/16, which would be the highest level in over a decade, were also considered.
10. The motor vehicle entitlement was also examined in the course of the Tribunal’s inquiry. The Tribunal is in favour of introducing greater flexibility into the scheme. While the annual lease value remains unchanged for each judicial office, the Tribunal recommends providing judicial offices with the option to enter lease terms of greater than two years/40,000km. Such a decision must be made at the time of entering into the lease.
11. The travel and accommodation allowance has also been examined. It is recommended that the current value and nature of entitlements be maintained.

## **RECOMMENDATION**

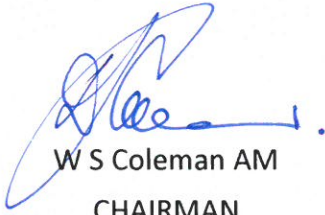
12. The Tribunal recommends no adjustment at this time to the remuneration paid or provided to Judges, District Court Judges, Masters of the Supreme Court, Magistrates and the Parliamentary Inspector of the Corruption and Crime Commission.
13. The Tribunal recommends the remuneration for judicial offices remain at rates determined in June 2014 and as set out in the attached Schedule.
14. The Tribunal recommends the motor vehicle entitlement relating to judicial offices be amended to allow for new leases to be entered into for a minimum two year/40,000km term.

## **TABLING OF REPORT**

15. Under the provisions of the Act, this report is required to be laid before each House of Parliament within five sitting days of the House after its receipt by the Minister. Either House of Parliament, within 15 sitting days of that House, having a copy of the report laid before it, may pass a resolution disapproving a recommendation made by the Tribunal.

The report will now issue.

Signed this 23<sup>rd</sup> day of June 2015



W S Coleman AM  
CHAIRMAN



C A Broadbent  
MEMBER



B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

## SCHEDULE

### REPORT ON THE REMUNERATION OF JUDGES, DISTRICT COURT JUDGES, MASTERS OF THE SUPREME COURT, MAGISTRATES, AND THE PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

#### REMUNERATION ARRANGEMENTS, INCORPORATING RECOMMENDED ALTERATIONS

##### PART 1: REMUNERATION

- 1.1 Remuneration shall be payable at the following rates to judges, masters and magistrates with effect from 1 July 2015.
- 1.2 The annual salary specified in this Part is inclusive of leave loading.

POSITION	ANNUAL SALARY
Chief Justice	\$499,598
President of the Court of Appeal	\$467,595
Senior Puisne Judge	\$446,474
Senior Judge of the Court of Appeal	\$446,474
Puisne Judge	\$433,258
Senior Master of the Supreme Court	\$401,499
Master of the Supreme Court	\$389,932
Chief Judge District Court	\$433,258
Senior Judge District Court	\$401,499
Judge District Court	\$389,932
Chief Magistrate	\$389,932
Deputy Chief Magistrate	\$341,800
Principal Registrar/Magistrate Supreme Court *	\$341,800
Principal Registrar/Magistrate, Family Court *	\$341,800
Magistrates	\$321,694
Registrars/Magistrates Family Court *	\$321,694
Parliamentary Inspector, Corruption and Crime Commission	\$173,303

\* The relevant office holders remunerated under this Part hold commissions to be Magistrates while having been given leave to hold the offices of Registrar or Principal Registrar as the case may be.

##### PART 2: TRAVELLING AND ACCOMMODATION ALLOWANCE

- 2.1 Where an overnight stay away from home is involved, a travelling and accommodation allowance (inclusive of accommodation, meals and incidentals) shall be payable in accordance with the relevant Australian Taxation Office reasonable benefit limit applicable from time to time and where accompanied by certification that the expense was appropriately incurred.

- 2.2 If the reasonably and properly incurred travelling and accommodation expenses exceed the abovementioned specified rates, the actual costs should be reimbursed. Receipts or vouchers must be provided in support of any claim for reimbursement in excess of the specified rate.
- 2.3 Claims for overnight stays in the Perth metropolitan area should be subject in each case to the approval of the relevant Chief Judicial Officer.
- 2.4 Part payment of travelling and accommodation allowances shall apply in the following circumstances:
- a. Where the Judge, Master or Magistrate is accommodated in private, non-commercial accommodation, such as the home of a family member or friend, a rate of one third of the specified rate shall be payable.
  - b. Where the cost of commercial accommodation is met by an entity other than the Judge, Master or Magistrate, an allowance shall be payable in accordance with the relevant Australian Taxation Office reasonable benefit limit for meals and incidentals applicable from time to time and where accompanied by certification that the expense was appropriately incurred.
  - c. Where in the case of commercial accommodation referred to in 2.3.2 above, the cost of a meal or meals is met by an entity other than the Judge, Master or Magistrate, the amount of travelling allowance shall be reduced by the relevant amount(s) referred to in the preceding paragraph.

### **PART 3: MOTOR VEHICLES**

- 3.1 The following arrangements apply or continue to apply, as the case may be, to each Judge, Master and full-time Magistrate for the provision of a fully maintained motor vehicle for business and private use.
- 3.2 All vehicles (being part of the Government-owned State Fleet) should be managed in accordance with the policies and conditions established and amended from time to time by the Department of Finance (the effective owner of the State Fleet). Applicable terms and conditions are currently set out in the document "State Fleet - Agency General Agreement".
- 3.3 Selection of appropriate vehicles should be subject to consultation between the Department of the Attorney General (as the department supporting the Courts administratively and therefore the "Agency" responsible for managing the leasing arrangements for vehicles provided to Judges, Masters and Magistrates) and the relevant Court. Although the cost of the vehicles is centrally funded, as a consequence of it being a benefit recommended under the *Salaries and Allowances Act 1975*, the area remains an administrative responsibility of the Department to manage in a cost effective manner.

3.4 In providing for the use of a motor vehicle under this arrangement, the Tribunal requires that office holders and the Department of the Attorney General will take account of the following principles established by the Tribunal. The provision of a motor vehicle should:

- a. meet the operational conveyance needs of the judiciary;
- b. provide for adequate safety and security of judicial office holders;
- c. be representative of fair value and benefit;
- d. be supportive of the efficient, effective and ethical use of State resources;
- e. be consistent with current principles of environmental sustainability, in particular, fuel efficiency and Government emissions targets;
- f. be commensurate with the status of judicial offices; and
- g. where private use of a vehicle is permitted, provide scope for personal preference in choice of motor vehicle consistent with the above principles

3.5 For the purposes of determining the value of the motor vehicle lease relative to the value of the relevant benefit set out in this determination, the lease value shall be based on a whole of life lease over a minimum of two years/40,000 kilometres. The lease value and term will be determined at the time of ordering the motor vehicle and will be inclusive of the cost of accessories. No additional costs shall be incurred by the office holder as a result of fluctuations in lease costs during the specified term of the lease.

3.6 The notional lease value must include the lease cost, Fringe Benefits Tax (FBT) and all other operating costs based on the relevant figure of nominated kilometres to be travelled annually. The formula to be adopted in valuing the motor vehicle is:

$$L + R + aD + \text{FBT} + I + \text{LCT}, \text{ where}$$

L	=	Lease payments
R	=	Registration costs
a	=	Running cost per kilometre
D	=	nominated annual kilometres
FBT	=	Fringe Benefits Tax
I	=	Insurance
LCT	=	Luxury car tax

3.7 FBT is costed at applicable Australian Taxation Office rates. FBT is costed at purchase price (including GST) x Statutory fraction x Gross up (2.1463) x FBT rate (0.490).

3.8 Fringe Benefits Tax Exempt Agencies: Where an organisation is exempt from FBT in accordance with Commonwealth Government legislation, a notional amount equal to the standard FBT must be added to the cost of the benefit.

3.9 Motor vehicles leased for judicial office holders shall not be changed prior to the expiration of the lease unless it is for operational reasons approved by the relevant Chief Judicial Officer in consultation with the Department of the Attorney General.

3.10 The Chief Justice is entitled to the provision of a vehicle to the notional value of \$27,300 per annum.

- 3.11 Judges, Masters and the Chief Magistrate are entitled to the provision of a vehicle to the notional value of \$26,900 per annum.
- 3.12 Magistrates are entitled to the provision of a vehicle to the notional value of \$25,400 per annum.
- 3.13 Judges, Masters, and Magistrates may choose any vehicle and accessories in the Common Use Contract or an "off contract" vehicle and accessories available under Government leasing arrangements, the total cost of which does not exceed the maximum cost of accessing a motor vehicle benefit determined in this report. Where the total cost of the chosen vehicle and accessories exceeds the maximum cost of accessing a motor vehicle benefit determined in this report, the additional cost must be borne by the individual. This includes the purchase cost of any accessories and the installation cost and removal costs if required before disposal of the vehicle.
- 3.14 In order to contain additional administrative costs associated with "off contract" leases, office holders may request cost quotations for not more than three vehicles outside the Government's Common User Contract for motor vehicles, in the process of selecting a vehicle under this arrangement.
- 3.15 Vehicles with V8 engines are not included. Turbo charged and super charged engines with a capacity greater than 3.0 litres are not included.
- 3.16 Each actual lease should be tailored to achieve the most cost-effective arrangement based on individual usage patterns.
- 3.17 Where the use of an off road vehicle is substantiated by operational need, this must be approved by the Chief Judicial Officer. Off road vehicles shall be of a standard, the cost of which does not exceed the whole of life notional lease value of the Toyota Prado GXL Auto 3.0 litre Turbo Diesel fitted with "roo" bar (air bag compliant) or the relevant notional value listed in Parts 3.10 to 3.12, whichever is higher. This includes the purchase cost of other essential accessories approved by the relevant Chief Judicial Officer.
- 3.18 For the Magistrate resident in Kununurra, use of the Government provided vehicle is permitted to and from the Northern Territory for periods of usage up to seven days under the same conditions as if the vehicle were in Western Australia. Under the State Fleet – Agency General Agreement, office holders are required to seek approval from State Fleet for travel outside Western Australia for periods of seven days or more.
- 3.19 Where a Magistrate is employed on a part time basis, a pro rata amount should be added to the remuneration in lieu of a motor vehicle. For that purpose, the full value of the vehicle is assessed at \$24,000 per annum.
- 3.20 Where an acting magistrate is employed for less than two years, a pro rata amount should be added to the remuneration in lieu of a motor vehicle. For this purpose, the full value of the vehicle is assessed at \$24,000 per annum.



The report will now issue.

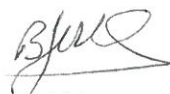
Signed this 23<sup>rd</sup> day of June 2015



W S Coleman AM  
CHAIRMAN



C A Broadbent  
MEMBER



B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL