SALARIES AND ALLOWANCES ACT 1975

Report of the Salaries and Allowances Tribunal for the remuneration of Judges, District Court Judges, Masters of the Supreme Court, Magistrates and the Parliamentary Inspector of the Corruption and Crime Commission No. 1 of 2024

PREAMBLE

Background

- Section 7 of the Salaries and Allowances Act 1975 (the Act) requires the Salaries and Allowances Tribunal (the Tribunal) to inquire into and report to the Minister for Public Sector Management in relation to possible changes in the remuneration paid or provided to:
 - Judges
 - District Court Judges
 - Masters of the Supreme Court
 - Magistrates
 - the Parliamentary Inspector of the Corruption and Crime Commission.
- 2. The Act states that the Tribunal must recommend the nature and extent of any changes to remuneration, if considered necessary.
- 3. From 28 February 2018 to 1 July 2021, the operation of section 10E of the Act prevented the Tribunal from making a report which recommended higher remuneration for judicial office holders. While the restrictions contained in section 10E of the Act expired on 30 June 2021, the Tribunal's decisions remain subject to section 10G, which prevents the Tribunal from making a report that takes into consideration section 10E's operation by providing remuneration on the basis that it:
 - was not provided due to the operation of section 10E; or
 - accounted for any increase in the cost of living that occurred when section 10E was in effect.

Current inquiry

- 4. In discharging its statutory requirements with respect to the remuneration of the Judiciary, the Tribunal has:
 - considered submissions from office holders and key stakeholders
 - consulted with the Chief Justice and the Director General of the Department of Justice

- noted key economic indicators, the financial strategy and Budget of the WA State Government and had regard to the State Wages Policy Statement
- examined the historical and current salary relativities between judicial offices and with other jurisdictions to ensure that Western Australian salaries and conditions remain competitive
- factored the impact on the State Budget of any potential increase including the flow-on effect to the judicial pension.

Submissions and consultations

- 5. In summary, some submissions requested the Tribunal provide an increase in salary for judicial office holders to:
 - restore pre-2016 relativities with the Federal Court or to form new relativities between office holders
 - acknowledge changes in judicial responsibilities which have increased the complexity of work undertaken by some office holders and increased the volume of matters before the Courts
 - resolve attraction and retention issues as the Courts are competing with other jurisdictions to recruit suitably experienced applicants.
- 6. With respect to motor vehicles, some submissions requested:
 - an increase to the value of the motor vehicle due to rising motor vehicle costs
 - changes to the whole of life lease provisions
 - removal of provisions which prohibit the use of office-based charging infrastructure for Electric Vehicles (EVs).
- 7. Some submissions requested the Tribunal consider providing a housing allowance for regionally based Magistrates and increase the superannuation rate for Magistrates.

Economic considerations

8. Table 1 sets out key economic indicators for the Western Australian and National economies.

Table 1: WA State and National Selected Economic Indicators 2024

Indicator	Percentage	Annual
	change	average
Perth - Consumer Price Index – July 2024 Mth ¹	2.1%	4.6%
National - Consumer Price Index – June 2024 Qtr	1.0%	3.8%
WA - Wage Price Index – June 2024 Qtr ²	0.8%	4.2%
National - Wage Price Index – June 2024 Qtr	0.6%	4.1%
WA Total Unemployment Rate – July 2024 Mth ³	0.0%	3.7%
National Total Unemployment Rate – July 2024 Mth	0.0%	4.2%

¹ Australian Bureau of Statistics (31 July 2024) Consumer Price Index, Australia

² Western Australian Treasury Corporation (13 August 2024) Economic Analysis Wage Price Index Q2 2024

³ Australian Bureau of Statistics (July 2024) Labour Force, Australia

- 9. In December 2023, the State Government announced the new <u>State Wages Policy Statement</u>. The policy does not provide a set percentage for wage negotiations, but shifts to a principle based bargaining position which focuses on:
 - delivering wage increases and conditions that are reasonable in the context of each negotiation and financially sustainable
 - supporting the longer term attraction and retention of skilled public sector workers
 - initiatives supporting the commitment to direct and permanent employment as the preferred mode of employment
 - improving the operations and performance of public sector organisations
 - employment conditions that Government considers should be universal across the WA public sector.
- 10. While the State Wages Policy does not apply to judicial officers, the principles of bargaining have been considered in the Tribunal's decision-making process.
- 11. The Tribunal has also reviewed the WA State Government 2024-25 Budget and associated Economic and Fiscal Outlook published by the State Government in May 2024⁴.

Relativities to other jurisdictions

- 12. Within remuneration bodies across Australia, it is broadly accepted that the remuneration provided to a Judge of the Federal Court is the benchmark for setting the remuneration of Puisne Judges of State Supreme Courts. Internal relativities within each jurisdiction's judicial levels are set from that starting point. Of note, since 2023, due to a wages freeze, the NSW Remuneration Tribunal is legislatively restricted from providing any increases to their judiciary.
- 13. The Federal Remuneration Tribunal provided a 3.5% increase for the federal judiciary, effective 1 July 2024. As a number of other jurisdictions apply legislative or policy tools to automatically apply changes based on movements to the Federal Remuneration Tribunal decisions, this 3.5% increase will flow to a number of other positions. This 3.5% increase follows a 4% increase by the Federal Remuneration Tribunal in 2023.

Remuneration setting and Tribunal recommendations

Judicial salaries

14. The Tribunal recommends a remuneration increase of 4% for judicial offices within this report, with an effective date of 1 December 2024.

⁴ Government of Western Australia (May 2024) Our State Budget 2024-25

- 15. The Tribunal acknowledges concerns raised in submissions regarding the attraction and retention issues within the judiciary. The remuneration increase recommended in this report makes progress in mitigating these issues while mindful of expectations set in the State's economic outlook and remuneration outcomes for public officers.
- 16. The Tribunal acknowledges the requests for significant salary increases and notes an increase of approximately 11% would be required to bring a Puisne Judge salary to the 105% level mentioned in submissions, reflecting 2016 inter-state relativities. As stated in paragraph 3 of this Preamble, the Tribunal is legislatively prevented from providing any salary catch up for increases that would have been provided but for the operation of section 10E.
- 17. While the Tribunal understands the basis for the request, not only is the Tribunal legislatively restrained from providing an 11% increase in salaries to restore this relativity, the Tribunal is also cognisant of the impact such an increase would have on salaries and the judicial pension, as they are both funded from public moneys.
- 18. The Tribunal has considered requests by some levels of the judiciary to modify the relativities between the levels that are currently in place. The basis for these requests is mostly centred around both an increase in work volume as well as in work value. The Tribunal has carefully reviewed the responsibilities of various levels of the judiciary and concluded that these changes are reflected across the judiciary and are accommodated within the existing relativities.
- 19. In 2022, the Tribunal conducted work value assessments on Supreme and District Court Registrars, benchmarked against other judicial offices. The assessment found that, while work value has generally increased for the Registrars, this has been reflected across the whole judiciary. The current relativities are supported by this assessment.

Motor vehicles

- 20. The Tribunal has considered requests to increase the motor vehicle benefit provided to judicial office holders. In recognition of increased costs associated with motor vehicle leases and services, the Tribunal resolved to increase the allowance by \$1,000 for all judicial offices, as well as to increase the motor vehicle benefit for part time and acting Magistrates to \$27,900.
- 21. The Tribunal has considered requests to change the whole of life lease provisions and remove EV charging prohibitions. In liaison with the Department of Finance and Department of Justice, the Tribunal resolved that the current provisions are appropriate, and as such, no changes have been made. However, on advice from the Department of Finance, the Tribunal agreed to make minor changes to update the wording of the motor vehicle provisions generally, to reflect the current practices and terminology.

Regional housing allowance

22. The Tribunal considered requests to provide a housing allowance for regionally based Magistrates and met with the Chief Justice and the Director General, Department of Justice regarding this matter. The Tribunal is supportive of the Department's endeavours to resolve these issues and is confident that a permanent solution will be forthcoming in the near future. The Tribunal will continue to monitor the situation going forward and will provide support to the Department if required.

Superannuation

23. The Tribunal considered a request to increase the rate of superannuation payments for Magistrates above the superannuation guarantee rate, however, this is not supported by the Tribunal.

Tabling of the Report

- 24. The Act requires this report to be tabled in each House of Parliament within five sitting days of the Minister for Public Sector Management receiving it. Changes to remuneration will come into force from the date specified in this report unless either House of Parliament, within 15 sitting days of the report being tabled in that House, passes a resolution disapproving the Tribunal's recommendation.
- 25. This report will now issue.

REPORT

This report may be cited as the Judicial Report No. 1 of 2024.

PART 1: SALARY

1.1 The annual salaries specified in table 2 shall be payable to Judges, Masters and Magistrates with effect from 1 December 2024, and are inclusive of leave loading.

Table 2: Annual salaries

Position	Annual Salary
Chief Justice	\$587,569
President of the Court of Appeal	\$550,004
Senior Puisne Judge	\$525,214
Senior Judge of the Court of Appeal	\$525,214
Puisne Judge	\$509,701
Senior Master of the Supreme Court	\$472,421
Master of the Supreme Court	\$458,846
Chief Judge District Court	\$509,701
Senior Judge District Court	\$472,421
Judge District Court	\$458,846
Chief Magistrate	\$458,846
Deputy Chief Magistrate	\$402,349
Principal Registrar/Magistrate Supreme Court *	\$402,349
Principal Registrar/Magistrate Family Court *	\$402,349
Magistrate	\$378,750
Registrar/Magistrate Family Court*	\$378,750
Parliamentary Inspector, Corruption and Crime Commission	\$305,820

^{*} 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 When 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 reasonably and properly incurred travelling and accommodation expenses exceed the rate specified in 2.1, then 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. when the Judge, Master or Magistrate is accommodated in private, noncommercial accommodation, such as the home of a family member or friend, a rate of one third of the specified rate shall be payable
 - b. when 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. when in the case of commercial accommodation referred to in 2.4.b 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 agency responsible for the State Fleet). Applicable terms and conditions are currently set out in the document "State Fleet General Agreement".
- 3.3 Selection of appropriate vehicles should be subject to consultation between the Department of Justice (as the administering agency responsible for managing the leasing arrangements for vehicles provided to Judges, Masters and full-time Magistrates) and the relevant Court. Although the cost of vehicles is centrally funded, as a consequence of it being a benefit recommended under the Act, 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 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. although private use of a vehicle is permitted, personal preference in choice of a motor vehicle should be consistent with the above principles.
- 3.5 For the purposes of determining the annual whole of life cost 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 the whole of life lease over a minimum of two years/40,000 kilometres. The annual whole of life costs and term will be determined at the time of ordering the motor vehicle and will be inclusive of the cost and installation of accessories, as well as removal costs if required, before disposal of the vehicle.
- 3.6 The notional lease value must include the lease cost (based on nominated lifespan and kilometres), Fringe Benefits Tax (FBT) and all other operating costs. The formula to be adopted in valuing the motor vehicle is outlined in table 3.

Table 3: Whole of life cost of a motor vehicle formula

L + R + aD + FBT + I + LCT, where				
L	=	Lease payments		
R	=	Registration costs		
а	=	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 (2.0802) x FBT rate (0.470).
- 3.8 FBT Exempt Agencies: Where an organisation is exempt from FBT in accordance with Commonwealth 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.
- 3.10 Office holders who choose to lease an electric vehicle (EV) need to be aware that the costs associated with re-fuelling an electric vehicle are not included in published annual operating costs. Government agencies will therefore bear no costs associated with refuelling SAT-leased EV's. Office holders will be responsible for making their own arrangements for at-home EV charging infrastructure and energy costs. Office holders may not utilise office-based charging infrastructure nor agency-provided recharging cards to refuel SAT vehicles.
- 3.11 Judges, Masters, and full-time 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 relevant benefit determined in this report. Where the annual whole of life cost of a vehicle and accessories is greater than the relevant benefit, the difference in cost is to be subtracted fortnightly from the office holder's salary. Salary adjustments are fixed once the office holder commits to a vehicle model and accessory package regardless of any fluctuations in whole of life costs occurring up to, and post delivery. However, in the event the office holder elects to amend the vehicle lease term (including lease extensions or increased lease kilometres), a salary adjustment review (taking into account the revised whole of life costs) must be undertaken and applied. Vehicle leases must be aligned to actual usage.
- 3.12 In the event a judicial office holder's motor vehicle requires modifications to cater for a disability, resulting in total vehicle costs higher than the notional lease values specified in table 4, then the reasonable additional cost may be approved by the relevant chief judicial officer in consultation with the department.
- 3.13 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.
- 3.14 Each actual lease should be tailored to achieve the most cost-effective arrangement based on individual usage patterns.
- 3.15 Use of an off-road vehicle must be substantiated by operational need and 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 benefit specified in table 4, whichever is higher. This includes the purchase cost of other essential accessories approved by the relevant chief judicial officer.

- 3.16 While the vehicle may be used anywhere in Western Australia at no cost to the individual, if the vehicle is driven interstate, the individual is liable for the cost of fuel and oil while interstate. Furthermore, if used outside of Western Australia, the custodian must be in the vehicle at all times that it is being used. However, for the Magistrate residing 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 General Agreement, other office holders are required to seek approval from State Fleet for travel outside Western Australia for periods of seven days or more.
- 3.17 Office holders are entitled to the provision of a vehicle with an annual whole of life cost for the vehicle (including accessories) as stated in table 4.

Table 4: Motor vehicle benefit

Position	Annual Benefit
Chief Justice	\$29,000
Judges, Masters and the Chief Magistrate	\$28,500
Full time Magistrates	\$27,900

3.18 When a Magistrate is employed on a part time basis, or an Acting Magistrate is employed for less than two years, the pro rata amount as stated in table 5 should be added to their remuneration in lieu of a motor vehicle.

Table 5: Pro-rata motor vehicle annual benefit

Position	Pro rata Annual Benefit
Part time Magistrates	\$27,900
Acting Magistrates	\$27,900

Signed on 4 October 2024

E Prof M Seares AO CHAIR Hon. J Day MEMBER Dr M Schaper MEMBER

SALARIES AND ALLOWANCES TRIBUNAL