



Katy Gallagher MLA

CHIEF MINISTER

MINISTER FOR HEALTH

MINISTER FOR TERRITORY AND MUNICIPAL SERVICES

MEMBER FOR MOLONGLO

Ms Anne Cahill-Lambert AM
Chair
ACT Remuneration Tribunal
PO Box 964
CIVIC SQUARE ACT 2608

Dear Ms Cahill-Lambert 

Thank you for your letter of 17 February 2012 inviting submissions to the Remuneration Tribunal's annual review of remuneration, entitlements and allowances for Members of the Legislative Assembly, executives, Directors-General, the Head of Service and full time holders of statutory offices.

The Government asks that the Remuneration Tribunal be mindful in its deliberation of the Territory's economic position, and the impact of wage increases on the Budget. I draw to the Tribunal's attention the recently published 2011-2012 Budget Review.

There is increased uncertainty in the outlook for economic activity globally and nationally. Global economic risks have increased over the last 12 months due to raising sovereign debt and deteriorating financial market conditions in Europe. Many advanced economies continue to face challenges in terms of weak labour market and housing market conditions, fiscal tightening and reduced confidence.

Negative global economic events threaten the domestic economic outlook. Weak growth in the national economy will inevitably have a negative impact on economic activity in the ACT. It is also possible that the current cautious behaviour by consumers might continue for an extended period of time, weighing on the retail trade sector and housing market.

Commonwealth spending growth is expected to be negative in 2012-13 in line with recent announcements in the *2011-12 Commonwealth Mid Year and Economic Review*. This is expected to impact heavily on ACT economic activity in the next financial year. There are significant downside risks to the economic forecasts if Commonwealth Government expenditure in the ACT is weaker than expected.

Consequently, I strongly believe that any increase to the remuneration for Members of the Legislative Assembly, executives, Directors-General, the Head of Service and full time holders of statutory offices should be comparable to the percentage increases received by

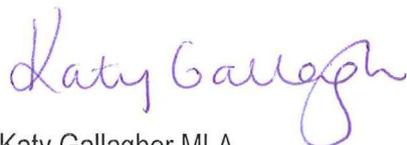
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workers in the broader community. In particular I believe any increase should not exceed the percentage increase received by members of the ACT Public Service through Enterprise Agreements.

I would appreciate it if the Tribunal would take this view into consideration in its deliberations.

Thank you for the opportunity to make a submission.

Yours sincerely



Katy Gallagher MLA
Chief Minister

) March 2012