Governor-General Amendment Bill 1988

Date Introduced: 23 August 1988
House: House of Representatives

Digest of Bill

Purpose
To increase the tax-free salary of the next Governor-General from the current $70,000 to $95,000 per year.

Background
Unlike other high ranking government positions, such as the Prime Minister and Chief Justice, the salary of the Governor-General cannot be adjusted during the term of the Governor-General. This flows from section 3 of the Constitution which allows Parliament to set the salary but not to alter it during the office of a Governor-General. While this may not have caused problems during periods when inflation was very low and wage movements were small and predictable, it now results in considerable difficulties. As the real value and relativity of the salary will change during the term of office, an initial calculation has to be made of what salary would, when averaged over the term of the appointment, result in the appropriate relativity being maintained. This issue is further complicated by the allowances payable to the occupants of other positions when determining the relative value of the various renumeration packages.

The $95,000 figure was reached on the basis of maintaining the Governor-General's salary at an after-tax level slightly ahead of the Chief Justice of the High Court. The second reading speech to the Bill describes the process in more depth.

Main Provisions
Clause 3 will substitute a new section 3 into the Governor-General Act 1974. Under the new section, the Governor-General's annual salary will be $95,000 per annum.