

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and the Public Service

Remuneration Tribunal Act 1973

Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2018

The *Remuneration Tribunal Act 1973* (the Act) establishes the Remuneration Tribunal (the Tribunal) as an independent statutory authority responsible for reporting on and determining the remuneration, allowances and entitlements of key Commonwealth office holders. These include members of the Parliament, Judges of Federal Courts and Territory Supreme Courts, most full-time and part-time holders of public offices and Principal Executive Offices.

Section 17 of the Act provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Under Section 4 of the Act, the Tribunal consists of three members appointed by the Governor-General on a part-time basis, one of whom is also appointed as President of the Tribunal. Section 12 of the Act provides that a member of the Tribunal shall be paid such fees and allowances as are prescribed. These fees and allowances are prescribed in the *Remuneration Tribunal (Members' Fees and Allowances) Regulation 2016* (the 2016 Regulation). The Tribunal is not empowered to determine its own fees.

The *Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2018* (the proposed Regulations) would amend the *Remuneration Tribunal (Members' Fees and Allowances) Regulation 2016*. The proposed 2018 Regulations increases the Members' fees by two per cent as follows:

- from \$89,090 to \$90,872 per year for the President (paragraph 6(a)); and
- from \$43,095 to \$43,957 per year for other members (paragraph 6(b)).

This two per cent increase is consistent with recent trends in public and private sector remuneration rates.

The Remuneration Tribunal Secretariat, staffed by APS employees in the Australian Public Service Commission, was initially consulted on the proposal to increase the Remuneration Tribunal Members' fees. However, as the Remuneration Tribunal is the Australian Government statutory authority with responsibility to determine, report on or provide advice about remuneration, including for part-time holders of various public offices, the Department did not consult any further. The Department also reviewed trends and market forces and had regard to general increases across the public sector and sources, such as the wage price index produced by the Australian Bureau of Statistics. This is in line with the Government's approach to a transparent and consistent method of remunerating senior public officials.

An assessment was made under guidelines issued by the Office of Best Practice Regulation, which indicated that a Regulation Impact Statement (RIS) was not required for these

Regulations. This is due to the amendments being of a minor or machinery nature and do not substantially alter existing arrangements.

The 2018 Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The 2018 Regulations commence on 1 July 2018.

Explanation of provisions

Regulation 1 – Name of the Instrument

Regulation 1 provides that the name of the instrument is the *Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2018*.

Regulation 2 – Commencement

Regulation 2 provides that the instrument commences on 1 July 2018.

Regulation 3 – Authority

Regulation 3 provides that the making of the instrument is authorised by section 12 of the *Remuneration Tribunal Act 1973*.

Regulation 4 – Schedules

Regulation 4 provides that the instrument set out in the Schedule is amended in accordance with the Schedule.

Schedule 1 – Amendments

Schedule 1 provides that the *Remuneration Tribunal (Members' Fees and Allowances) Regulation 2016* be amended.

Item 1 - The fees payable to the President will be set at \$90,872 per year.

Item 2 - The fees payable to other members will be set at \$43,957 per year.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2018

This Disallowable Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Disallowable Legislative Instrument

This Disallowable Legislative Instrument should amend the *Remuneration Tribunal (Members Fees and Allowances) Regulation 2016* (the 2016 Regulation). The 2016 Regulation prescribes the fees and allowances of members of the Remuneration Tribunal.

This Disallowable Legislative Instrument increases the fees for the members of the Tribunal as follows:

- from \$89,090 to \$90,872 per year for the President
- from \$43,095 to \$43,957 per year for other members

Human rights implications

This Disallowable Legislative Instrument engages the right to the enjoyment of just and favourable conditions of work, which includes a right to fair wages and equal remuneration, in Article 7 of the *International Covenant on Economic, Social and Cultural Rights*. The Disallowable Legislative Instrument promotes the realisation of this right by increasing the respective fees of the Tribunal president and members.

Conclusion

This Disallowable Legislative Instrument is compatible with human rights because it promotes the right to the enjoyment of just and favourable conditions of work.