



REMUNERATION TRIBUNAL

Explanatory Statement: Principal Executive Office – Classification Structure and Terms and Conditions – Determination 2019

1. 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 Judges of Federal Courts and most full-time and part-time holders of public offices, including Specified Statutory Offices. An additional function of the Tribunal is to determine a classification structure for Principal Executive Offices and the terms and conditions applicable to each classification within the structure.

Consultation

2. Section 11 of the Act advises that in the performance of its functions the Tribunal:
 - may inform itself in such manner as it thinks fit;
 - may receive written or oral statements;
 - is not required to conduct any proceeding in a formal manner; and
 - is not bound by the rules of evidence.
3. The Tribunal normally receives submissions on remuneration from a portfolio minister, or a Secretary, program manager or employing body (in respect of a Principal Executive Office) with responsibility for the relevant office(s). The Tribunal will normally seek the views of the relevant Portfolio Minister prior to determining remuneration for an office.
4. The Tribunal may reach a decision based on the information provided in the submission and other publicly available information such as portfolio budget statements, annual reports, corporate plans, legislation and media releases. On occasion it may wish to meet with relevant parties or seek further information from the relevant minister or person making the submission.
5. Amongst other relevant matters in deliberating on appropriate remuneration for an office the Tribunal informs itself on:
 - the main functions, responsibilities and accountabilities of the office;
 - the organisational structure, budget and workforce;
 - the requisite characteristics, skills or qualifications required of the office holder(s); and
 - the remuneration of similar, comparator, offices within its jurisdiction.

Annual review

6. The Tribunal's obligations, under sub-sections 7(3) and 8(1)(b) of the Act are to make determinations in respect of remuneration for various offices within its jurisdiction at periods of not more than one year. To meet these obligations, the Tribunal issued determinations on 25 June 2018 and at that time included a general adjustment of 2 per cent to remuneration for all offices in its jurisdiction.

7. In complying with its obligations to make new determinations the Tribunal takes the opportunity to consider whether any general increase to remuneration for offices might be warranted. In conducting this review the Tribunal takes account of economic conditions in Australia, past and projected movements in remuneration in the public and private sectors (including the Australian Public Service), as well as the outcomes of reviews of public offices completed by the Tribunal. In order to inform its conclusions the Tribunal draws upon authoritative external sources such as the published material available from the Government, the Reserve Bank of Australia and the Australian Bureau of Statistics as well as trends in public and private sector remuneration. The Tribunal is also obliged by the Act to consider the Annual Wage Reviews of the Fair Work Commission. The Commission's 2019 decision was released on 30 May 2019.
8. The Tribunal did not receive any submissions on this matter.
9. On 6 June 2019 the Tribunal notified its decision to increase remuneration by 2 per cent for public offices in its jurisdiction with effect from 1 July 2019. A statement setting out the Tribunal's reasons for decision is available at www.remtribunal.gov.au.
10. The *Principal Executive Office - Classification Structure and Terms and Conditions - Determination 2019*, made under sub-section 5(2A) of the Act, implements the Tribunal's decision for Principal Executive Offices. No other changes have been made.
11. Consultation on these amendments was considered unnecessary given the matters considered by the Tribunal in making its decision.

Retrospectivity

12. Any retrospective application of this determination is in accordance with subsection 12(2) of the *Legislation Act 2003* as it does not affect the rights of a person (other than the Commonwealth or an authority of the Commonwealth) to that person's disadvantage, nor does it impose any liability on such a person.

The power to repeal, rescind and revoke, amend and vary

13. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Details of the determination are as follows:

PART 1 - GENERAL

14. Part 1 specifies the authority for and the commencement date of the determination and revokes and supersedes the previous principal *2018-07 - Principal Executive Office - Classification Structure and Terms and Conditions* (as amended) applying to the offices covered by this determination. This part also contains definitions of certain words used in the determination.

PART 2 – CLASSIFICATION, REMUNERATION AND RELATED MATTERS

15. The provisions of this Part remain unchanged from those contained in Part 2 of the previous determination.

PARTS 3, 4, 5 and 6

16. The provisions in Parts 3, 4, 5 and 6 remain unchanged.

SCHEDULE A

17. Table A1 of Schedule A specifies rates of remuneration in five broad salary/remuneration bands and the commencement date. These incorporate a 2 per cent increase (rounded as appropriate) commencing on 1 July 2019.

Authority: Sub-sections 7(3) and 7(4)
Remuneration Tribunal Act 1973

Statement of Compatibility with Human Rights

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

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This 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 Legislative Instrument

The legislative instrument, or determination, applies the Tribunal's 2019 annual review decision of a 2 per cent remuneration increase (rounded as appropriate) to Principal Executive Offices from 1 July 2019.

The determination revokes and supersedes the previous *Determination 2017/08 Principal Executive Office – Classification Structure and Terms and Conditions (as amended)*.

The changes follow a review of remuneration (and significantly related matters) carried out by the Tribunal consistent with sub-section 7(3) of the *Remuneration Tribunal Act 1973*.

The instrument maintains the principle of fair, and current, remuneration for work performed.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Remuneration Tribunal