



REMUNERATION TRIBUNAL

Explanatory Statement: Remuneration Tribunal (Principal Executive Office – Classification Structure and Terms and Conditions) Determination 2020

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.

Principal Executive Officer (PEO) structure and arrangements review

6. In 2018, the Tribunal commenced a review of the PEO structure and arrangements. The purpose of the review was to consider whether the PEO classification structure and related arrangements continue to meet the government's policy requirements, employing body operational requirements and contemporary remuneration practices.
7. In conducting the review the Tribunal consulted with:
 - Ministers who have policy responsibility for government business enterprises,
 - Ministers who were employing bodies, and
 - representatives of a number of Boards and Councils that are employing bodies.
8. The Tribunal also considered its own experience with managing the PEO arrangements and the experience of its Secretariat in providing advice to employing agencies on its administration.
9. In finalising the review the Tribunal decided to maintain the five Band PEO structure but update the remuneration rates applying to each Band to reflect remunerations adjustments applied more broadly across its jurisdiction. This does not impact remuneration being paid to offices in the structure.
10. A Tribunal statement detailing the outcome of the review is available at www.remtribunal.gov.au.

Restructure of Determination

11. As part of its review, the Tribunal has taken the opportunity to restructure and reformat its determination to reflect standard Commonwealth drafting practice and to improve clarity and readability. This has involved the restructuring and removal of certain provisions. The Office of Parliamentary Counsel was engaged to assist in this process.
12. The *Remuneration Tribunal (Principal Executive Office - Classification Structure and Terms and Conditions) Determination 2020*, made under sub-section 5(2A) of the Act, finalises the Tribunal's review.

Retrospectivity

13. 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

14. 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 - PRELIMINARY

15. Part 1 specifies the name of the instrument, the commencement date of the determination, the date the instrument takes effect and the authority under which the determination is made and supersedes the previous principal determination applying to the offices covered by this determination. This part also contains information on how schedules are used in the determination and definitions of certain words used in the determination.

PART 2 – CLASSIFICATION, REMUNERATION AND RELATED MATTERS

16. Part 2 specifies the classification structure, remuneration arrangements and performance pay for PEOs.

17. The remuneration ranges in Table 2A have been updated as a result of the review.

PART 3 - SUPERANNUATION

18. Part 3 sets out superannuation arrangements for PEO's

PART 4 - VEHICLES

19. Part 4 sets out the provisions relating to vehicles and vehicle parking.

PART 5 - ALLOWANCES

20. Part 5 sets out the provisions relating to geographic relocation, accommodation allowance, reunion travel and remote localities.

PART 6 – OFFICIAL TRAVEL

21. Part 6 sets out the provisions for official travel and the travel tiers that apply.

PART 7 - LEAVE

22. Part 7 sets out that provisions for a leave of absence.

PART 8 – COMPENSATION FOR LOSS OF OFFICE

23. Part 8 sets out the provision for compensation for loss of office.

SCHEDULE 1

24. Schedule 1 specifies instruments which have been amended or repealed.

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, implements the outcomes of the Tribunal's review of the Principal Executive Office structure and arrangements.

The determination revokes and supersedes the previous *Principal Executive Office – Classification Structure and Terms and Conditions – Determination 2019*.

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

The instrument maintains the principle of fair, and current, remuneration for work performed. The determination does not change the remuneration arrangements or terms and conditions for office holders in the structure.

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