

EXPLANATORY STATEMENT

Select Legislative Instrument 2011 No. 220

Issued by the authority of the Special Minister of State for the Public Service and Integrity

Remuneration Tribunal Act 1973

Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2011 (No. 1)

The *Remuneration Tribunal Act 1973* (the Act) established 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 Court 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, or necessary or convenient, to be prescribed for carrying out or giving effect to the Act.

Under section 4 of the Act, the Governor-General appoints the three part-time members of the Tribunal, 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 by the *Remuneration Tribunal (Members' Fees and Allowances) Regulations 2005* (the Principal Regulations).

Before commencement of the *Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2011 (No. 1)* (the Regulations) the Principal Regulations prescribed the fees payable to the President as \$80,400 and to a Member as \$38,891. The fees of the President and Remuneration Tribunal are reviewed annually. The Tribunal is not empowered to determine its own fees.

The Regulations increase the level of remuneration to \$82,812 for the President and to \$40,058 for Members of the Tribunal. This 3.0 per cent increase is consistent with recent trends in public and private sector remuneration rates.

An assessment was made under guidelines issued by the Office of Best Practice Regulations, which indicated that a regulation impact Statement (RIS) was not required for these Regulations because the amendments are of a minor or machinery nature and do not substantially alter existing arrangements.

Consultation on this matter took place internally within the relevant areas of the Australian Public Service Commission. Wider consultation was not undertaken as it would not be appropriate to consult with the Tribunal itself.

In addition, section 18 of the *Legislative Instrument Act 2003* provides that consultation may not be appropriate when the instrument is of a minor or machinery nature and does not substantially alter existing arrangements, or it relates to employment.

The Regulations are a legislative instrument for the purpose of the *Legislative Instruments Act 2003*.

The Regulations commence on 25 November 2011 (which is twelve months from the last increase).