



REMUNERATION TRIBUNAL

Explanatory Statement: Determination 2016/19 Remuneration and Allowances for Holders of Full-Time Public Office

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 members of Parliament, Judges of Federal Courts, most full-time and part-time holders of public offices and Principal Executive Offices (PEOs).
2. The Tribunal has inquired into the remuneration of public offices in its jurisdiction as it is empowered to do by the Act. Under sub-section 8(1) of the Act the Tribunal is required to issue a determination at an interval of no more than a year. This determination fulfils that obligation. The date of effect of this determination is 8 December 2016, unless otherwise specified.
3. The determination sets remuneration for the offices of Director, National Industrial Chemicals Assessment and Notification Scheme (NICNAS) and General Manager, National Blood Authority (NBA) following revocation of their status as PEOs. It makes no other changes to remuneration.

Consultation

4. 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.

General Adjustments

5. The Tribunal has decided not to make any general adjustments to remuneration at this time. In accordance with its customary practice in considering general adjustments, the Tribunal took account of a range of economic conditions in Australia, including trends in public and private sector remuneration. In order to inform its conclusions the Tribunal drew upon authoritative external sources such as the published material available from the Government, the Reserve Bank of Australia and the Australian Bureau of Statistics. It is obliged by the Act also to consider the Annual Wage Reviews of the Fair Work Commission. The Tribunal did not conduct formal consultations in making this decision.

Specific offices

6. When determining remuneration for specific public offices, the Tribunal normally receives submissions on remuneration from a Portfolio Minister, or a Secretary, Program Manager or Employing Body (in respect of a PEO) 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.
7. 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.

8. 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.

Director, National Industrial Chemicals Assessment and Notification Scheme (NICNAS)

9. The Tribunal received a submission from the Minister for Health and Aged Care seeking a review of remuneration for this office, following revocation of its status as a PEO. The Minister's submission noted that the office holder had been consulted and was supportive of the reclassification. The Tribunal considered updated information on the roles and responsibilities of the office from the submission and publicly available documents.

General Manager, National Blood Authority (NBA)

10. The Tribunal received a submission from the Minister for Health and Aged Care seeking a review of remuneration for this office, following revocation of its status as a PEO and appointment of the incoming General Manager. The Tribunal considered updated information on the roles and responsibilities of the office from the submission and publicly available documents.

Retrospectivity

11. 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.

Details of the determination are as follows:

PART 1 - GENERAL

12. Part 1 specifies the authority for and the date of effect of the determination and revokes and supersedes the previous principal Determination 2015/21 (as amended) applying to the offices covered by this determination. This Part also contains definitions of certain words used in the determination.
13. The other provisions in Part 1 are unchanged from those contained in Part 1 of the superseded determination.

PART 2 – REMUNERATION AND RELATED MATTERS

14. Part 2 sets out the Base Salary and Total Remuneration and other related matters (such as some personal loadings) effective from 8 December 2016 unless specified.
15. The offices of General Manager NBA and the Director NICNAS have been added to the Table 2A. These offices were formerly in the PEO structure. These changes are effective from 29 November 2016. There are no other changes to remuneration for offices covered in the superseded determination.
16. Other changes in this determination, compared with the superseded determination, include changing the order of certain entries in the Tables (and the associated explanatory clauses) and consolidating changes made over the life of the previous determination.

PART 3 - ALLOWANCES

17. Part 3 sets out the allowance provisions. There are no changes from those contained in the superseded determination.

PART 4 – OFFICIAL TRAVEL

18. Part 4 sets out the entitlements for official travel which are contained in Determination 2016/07 (or any determination that supersedes 2016/07). The only change to the provisions of this Part from those contained in the superseded determination is the replacement of the reference to the superseded official travel determination with the current determination (Determination 2016/07).

PART 5 – RECREATION LEAVE

19. Part 5 refers to the recreation leave provisions which are contained in Determination 2012/11. The provisions of this Part are unchanged from those contained in the superseded determination.

PART 6 – COMPENSATION FOR EARLY LOSS OF OFFICE

20. Part 6 refers to the compensation for early loss of office provisions which are contained in Determination 2014/17. The provisions of this Part remain unchanged from those contained in the superseded determination.

Authority: Sub-sections 7(3) and 7(4) of the *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, fulfils the requirement, under sub-section 8(1) of the *Remuneration Tribunal Act 1973*, for the Remuneration Tribunal to make a determination concerning remuneration at an interval of no more than 12 months.

It does not provide a general adjustment for full-time holders of public office.

The determination revokes and supersedes the previous *Determination 2015/21 – Remuneration and Allowances for Holders of Full-Time Public Office* (as amended).

The determination follows a general review of the remuneration (and significantly related matters) of the full-time public offices carried out by the Tribunal consistent with sub-section 7(3) of the *Remuneration Tribunal Act 1973*.

The determination sets remuneration for the General Manager NBA and the Director NICNAS, based on an assessment of the functions, roles and responsibilities of those offices and comparator offices. The offices were formerly in the PEO structure.

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