

EXPLANATORY STATEMENT

Remuneration Tribunal Determination No. 4 of 1999

Remuneration Tribunal Act 1973

1. The Remuneration Tribunal is empowered to inquire into and determine the remuneration and allowances to be paid to Secretaries of Departments and holders of public offices as defined in the *Remuneration Tribunal Act 1973*. Determination No. 4 of 1999 (this Determination) follows a review of remuneration and significantly related matters.
2. Part 1 provides definitions of the terms used in this Determination.
3. Part 2 provides the Basic Rate of Salary for a Secretary applicable where the Tribunal has not otherwise determined a salary.
4. Part 3 provides Total Remuneration and Base Salary effective on and from 31 March 1999 and 31 March 2000 for the Secretaries and Specified Statutory Officers listed in Parts A and B of Schedule A of this Determination. Clause 3.3 requires Base Salary to be used to calculate superannuation obligations and entitlements. This means that the Base Salaries in Parts A and B of Schedule A remain unaffected by remuneration packaging and performance-based remuneration.
5. Clauses 3.4 to 3.9 enables remuneration packaging so long as there is consistency with taxation laws and containment of costs to the Commonwealth and that at least 50% of the Total Remuneration is received as salary. The remuneration packaging provisions are intended to be consistent with relevant guidelines covering APS employees.
6. Clause 3.8 specifies that Total Remuneration includes a value attributable to the superannuation contribution or support provided by the Commonwealth. The value attributed to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme is specified as 13% of Base Salary. The value for other schemes is the actual amount of contribution or liability. Clause 3.9 prevents the receipt of salary in lieu of the value of superannuation contribution or support.
7. Clause 3.10 and 3.11 specifies that Total Remuneration includes the value of a fully maintained vehicle and requires that value to be calculated in accordance with the APS Executive Vehicle Scheme Guidelines. Where salary is taken in lieu of a Commonwealth provided vehicle, it would be the Tribunal's expectation that no alternative vehicle leasing agreement would be entered into on a salary sacrifice basis.
8. Clause 3.12 provides an increase in Total Remuneration of 7% for the Specified Statutory Officers covered by this Determination in recognition that these officers are not entitled to annual performance bonuses.
9. Clauses 3.13 to 3.15 provide that in addition to Total Remuneration a Secretary may be entitled to annual performance bonuses of either 10% or 15% of Total Remuneration. Clause 3.13 specifies that a bonus of 10% is payable in respect of Superior Performance and a bonus of 15% is payable in respect of Outstanding Performance. These expressions are defined in clause 3.15.

10. Clause 3.14 provides that the entitlement (if any) to a performance bonus in any year shall be determined subsequently by the Remuneration Tribunal taking into account (without limitation) performance criteria established from time to time for this purpose for the Prime Minister and recommendations by the Prime Minister about performance outcomes. The Tribunal anticipates, therefore, supplementary determinations to deal with this issue from time to time.
11. In a Statement issued on 18 January 1999, the Tribunal recommended that performance criteria be developed from time to time by the Secretary of the Department of Prime Minister and the Public Service Commissioner, in consultation with Ministers. The Determination is designed to take advantage of these criteria.
12. In determining performance bonuses, the Tribunal envisages that the Prime Minister would make a recommendation to the Tribunal after considering reports prepared by the Secretary of the Department of the Prime Minister and Cabinet and the Public Service Commissioner on the performance of Secretaries. The Public Service Commissioner would prepare the report on the performance of the Secretary of the Department of the Prime Minister and Cabinet. In preparing reports for the Prime Minister's consideration, the Secretary of the Department of Prime Minister and Cabinet and the Public Service Commissioner would consult with relevant portfolio Ministers.
13. Part 4 provides various travelling allowances for travel on official business. The allowances are based on a survey of the costs of accommodation, meals and incidentals. Overseas travelling allowances are as determined under section 82D of the *Public Service Act 1922*.
14. Part 5 provides compensation for early loss of office for a Secretary of one-third of one month's salary for each month of a fixed term not served in circumstances where the Commonwealth has not made an offer of suitable alternative employment, subject to a maximum payment of 12 months. Clause 5.2 limits the payment to 12 months inclusive of any payment resulting from a direction under section 37(6) of the *Public Service Act 1922*. Clause 5.3 identifies areas of alternative Commonwealth employment.
15. Clause 5.4 provides compensation for early loss of office for a Specified Statutory Officer in accordance with the provisions of Tribunal Determination No. 11 of 1992. These provisions are not intended to limit what might be independently available under any relevant employing Act of the Commonwealth.
16. Clause 5.5 specifies that no entitlement to compensation arises where the full term of an appointment is served.
17. Part 6 specifies that the Determination takes effect on and from 31 March 1999 and supersedes Determination No. 8 of 1994, as amended.

Authority: Sub-sections 7(3) and 7(4) and 8(2)(b) and 8(3) of the *Remuneration Tribunal Act 1973*.