# Submission by the Department of Climate Change, Energy, the Environment and Water

Response to the Remuneration Tribunal consultation paper: Remuneration of Full-Time Public Offices

## Introduction

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) welcomes the opportunity to make a submission to the Remuneration Tribunal's review of remuneration arrangements for Full-Time Public Offices.

DCCEEW supports the Tribunal's objective of maintaining remuneration arrangements that are transparent, consistent, publicly defensible and capable of attracting and retaining individuals with the skills, experience and judgement required to undertake significant public responsibilities. DCCEEW also supports the Tribunal's independent role in determining remuneration for public offices.

This submission focuses primarily on whether the current remuneration framework remains fit for purpose, with focus on assessment of work value, responsibilities and relativities, while providing suggestions for opportunities for improvement in transparency and guidance.

## Views on the current remuneration framework

DCCEEW considers that the principles underpinning the current remuneration framework remain appropriate and no fundamental changes are required.

The framework currently appropriately takes into account work value, statutory responsibilities, organisational complexity, public accountability, independence and relativities between offices. Together, these factors provide a sound basis for determining remuneration across a diverse range of public offices and support consistency, integrity and confidence in Commonwealth remuneration decisions.

However, there may be scope to improve transparency in how these principles are applied in practice and how they inform remuneration outcomes.

The consultation paper notes that the Tribunal considers a range of factors when assessing remuneration and does not apply formal weightings, instead exercising judgement according to the circumstances of each office. While discretion is an important feature of the framework, its application is not always clear to agencies seeking review of remuneration arrangements. Greater visibility of the relative significance of the factors considered, and how they influence remuneration outcomes, would assist agencies to better understand the basis for Tribunal determinations.

# Determining, reviewing and adjusting remuneration

The consultation paper outlines the factors considered by the Tribunal when assessing remuneration, including work value, authority, accountability, organisational scale, complexity and comparator offices. These are appropriate considerations and should remain central to the framework.

However, from an agency perspective, there can be uncertainty about:

- what evidence will be most influential in supporting a remuneration review
- how comparator offices are selected and applied
- what level of change in work value may justify movement between remuneration levels
- how the Tribunal determines the appropriate magnitude of any remuneration adjustment.

DCCEEW's experience is that agencies can often identify changes in responsibilities, scale, complexity, funding, regulatory functions or public accountability, yet may have limited visibility of how those changes are assessed relative to existing remuneration levels and comparator offices.

Similarly, where a remuneration increase is partially accepted or not supported, agencies may not always be able to identify which aspects of the evidence were persuasive, what factors limited the outcome, or what additional evidence would be useful in future reviews.

DCCEEW notes the Tribunal's observation that reliance on internal comparator offices can reinforce historical remuneration settings and may reduce transparency in how remuneration outcomes are derived. DCCEEW agrees that this is an important issue for consideration as part of the review.

## Comparator offices

Comparator offices are an important mechanism for maintaining consistency across the framework and should continue to form part of remuneration assessments.

However, agencies often have limited visibility regarding how comparator offices are selected, weighted and applied in practice.

Greater transparency regarding the role of comparator offices would improve agencies' ability to prepare targeted submissions and understand how offices are positioned within the broader remuneration framework.

# Overall remuneration framework

DCCEEW notes that the current framework comprises 191 offices distributed across 36 remuneration levels. The consultation paper itself observes that the number of remuneration levels may complicate the assessment of relativities and raises the possibility of clearer banding or more structured approaches.

There is merit in exploring a remuneration band structure for Full-Time Public Offices, like that used for principle executive offices or the APS Senior Executive Service classification structure. A framework similar in concept to these could:

- improve transparency regarding the positioning of offices
- provide clearer pathways for movement where work value changes over time
- reduce reliance on historical relativities
- support more effective benchmarking across the Commonwealth
- make remuneration outcomes easier to explain and understand.

Such an approach would retain the flexibility necessary to account for the diversity of Full-Time Public Offices while providing greater clarity and consistency across the framework.

# Non-remuneration benefits

DCCEEW considers that the current arrangements for non-remuneration benefits, such as travel, accommodation assistance, reunion travel and loss-of-office compensation, remain broadly appropriate. DCCEEW does not propose significant changes to these arrangements.

DCCEEW supports the Tribunal's continued consideration of whether travel classifications and other benefits remain appropriately aligned with the work value and responsibilities of offices across the framework.

# Opportunities for improvement

## Greater transparency of assessment methodology

The strongest opportunity arising from this review is to provide greater visibility of how remuneration assessments are undertaken.

The Tribunal already identifies the factors it considers when assessing remuneration. However, agencies have limited visibility about how those factors influence remuneration outcomes in practice. The Tribunal could improve transparency through publication of additional guidance on:

- key work-value indicators
- the types of evidence most relevant to remuneration reviews
- the role of comparator offices in assessments
- circumstances that may warrant reconsideration of remuneration
- factors typically associated with movement between remuneration levels or bands.

## Work-value indicators

There would be value in developing and publishing indicative work-value indicators to assist agencies in preparing submissions.

Examples could include:

- expansion of statutory functions or powers
- significant increases in regulatory responsibilities
- substantial increases in organisational scale or complexity
- significant increases in administered funding or program delivery responsibilities
- increased decision-making authority
- greater public accountability or scrutiny
- material increases in risk exposure.

The purpose of such guidance would not be to create a formulaic assessment process. Rather, it would improve agencies' understanding of the types of changes that are likely to be considered material from a remuneration perspective.

## APS benchmarking

DCCEEW supports the Tribunal's proposal to consider a more systematic benchmarking framework using senior APS roles.

More structured benchmarking against APS leadership classifications would provide clearer external reference points and assist in reducing dependence on historical internal relativities. Such an approach would also help agencies understand how offices are positioned within the broader Commonwealth leadership environment.

## Implementation

Should the Tribunal determine that structural changes to the framework are warranted, DCCEEW considers implementation should be guided by:

- transparency
- consistency
- preservation of appropriate relativities
- administrative simplicity
- minimisation of unintended consequences.

Any changes to classification structures, benchmarking arrangements or remuneration bands should be accompanied by clear communication regarding the rationale for decisions and the positioning of offices within the revised framework.

# Conclusion

DCCEEW supports the existing principles underpinning the Full-Time Public Office remuneration framework and considers they continue to provide a strong basis for maintaining fairness, consistency, integrity and independence across Commonwealth public offices.

DCCEEW's principal observation is that the review presents an opportunity to improve transparency and predictability in the way remuneration outcomes are assessed and communicated and recommends that the Tribunal consider:

1. introducing a clearer remuneration band structure for Full-Time Public Offices
2. strengthening benchmarking against APS leadership classifications
3. publishing guidance on work-value indicators and evidentiary requirements
4. providing greater transparency regarding the role and use of comparator offices
5. providing clearer guidance regarding circumstances that may warrant remuneration review.

These measures would improve transparency, consistency and confidence in the remuneration framework while preserving the Tribunal's discretion and independence in determining remuneration outcomes.