



New South Wales

Parliamentary, Local Council and Public Sector Executives Remuneration Legislation Amendment Bill 2011

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Parliamentary Remuneration Act 1989*, the *Local Government Act 1993*, the *Statutory and Other Offices Remuneration Act 1975* and the *Health Services Act 1997* to apply the same government public sector wages cap that binds the Industrial Relations Commission to the determination of the remuneration for Ministers and other members of Parliament, local councillors, statutory officers, public sector executives and hospital visiting medical officers.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of Parliamentary Remuneration Act 1989 No 160

Currently the basic salary of a member of Parliament is \$136,140, which is equivalent to the annual salary payable to a backbench member of the Commonwealth House of Representatives less \$500. **Schedule 1 [1]** provides that the Parliamentary Remuneration Tribunal is to determine the basic salary of a member of Parliament at such times as the Tribunal thinks fit or the Premier directs. In making a determination, the Tribunal will be required to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* (as inserted by the *Industrial Relations Amendment (Public Sector Conditions of Employment) Act 2011*) when making or varying awards or orders relating to the conditions of employment of public sector employees. The Tribunal will not be required to give effect to a policy that provides for increases in remuneration based on employee-related savings.

Schedule 1 [2] is a consequential amendment.

Schedule 1 [3] enables regulations to be made of a savings or transitional nature consequent on the enactment of the proposed Act.

Schedule 1 [4] ensures that any increase in the basic salary due to a Commonwealth determination after the introduction of the Bill for the proposed Act and before the Tribunal makes its first determination is capped at 2.5%.

Schedule 2 Amendment of Local Government Act 1993 No 30

Schedule 2 requires the Local Government Remuneration Tribunal, when making determinations relating to the fees to be paid to mayors and councillors, to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to when making or varying awards or orders relating to the conditions of employment of public sector employees. The Remuneration Tribunal will not be required to give effect to a policy that provides for increases in remuneration based on employee-related savings.

Schedule 3 Amendment of Statutory and Other Offices Remuneration Act 1975 (1976 No 4)

Schedule 3 applies to determinations by the Statutory and Other Offices Remuneration Tribunal that vary the remuneration to be paid to statutory officers, chief executives and senior executives, but does not apply to determinations relating to judicial officers. The Tribunal will be required to give effect to the same policies

on increases in remuneration as those that the Industrial Relations Commission is required to give effect to when making or varying awards or orders relating to the conditions of employment of public sector employees.

Schedule 4 Amendment of Health Services Act 1997 No 154

Schedule 4 [1] applies to determinations by an arbitrator (appointed by the Minister administering the *Industrial Relations Act 1996*) as to the remuneration and conditions of employment of visiting medical officers appointed under service contracts with public health organisations and **Schedule 4 [2]** applies to determinations by the Director-General of the Department of Health relating to the remuneration packages for executive office holders in the NSW Health Service. In making such determinations, the arbitrator and the Director-General will be required to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to when making or varying awards or orders relating to the conditions of employment of public sector employees.



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Parliamentary, Local Council and Public Sector Executives Remuneration Legislation Amendment Bill 2011

No , 2011

A Bill for

An Act to amend the *Parliamentary Remuneration Act 1989*, the *Local Government Act 1993*, the *Statutory and Other Offices Remuneration Act 1975* and the *Health Services Act 1997* to apply the same government public sector wages cap that binds the Industrial Relations Commission to the determination of the remuneration for Ministers and other members of Parliament, local councillors, statutory officers, public sector executives and hospital visiting medical officers; and for other purposes.

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Parliamentary, Local Council and Public Sector
Executives Remuneration Legislation Amendment Act 2011*.

2 Commencement

This Act commences on the date of assent to this Act.

Schedule 1 Amendment of Parliamentary Remuneration Act 1989 No 160

[1] Section 4

Omit the section. Insert instead:

4 Definition of basic salary

- (1) For the purposes of this Act, the basic salary is as follows:
 - (a) until the Tribunal otherwise determines, the amount of the annual allowance by way of salary payable under the law of the Commonwealth to a member of the House of Representatives who is not entitled to any additional salary, less \$500,
 - (b) the amount determined by the Tribunal from time to time in accordance with this section.
- (2) The Tribunal may make a determination fixing the amount of the basic salary. Determinations are to be made at such times as the Tribunal thinks fit or the Minister directs.
- (3) In making a determination, the Tribunal is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.
- (4) The policies referred to in subsection (3) do not include any policy that provides for increases in remuneration based on employee-related savings.

[2] Section 17 Other provisions as to basic salary

Omit the section.

[3] Schedule 3 Savings, transitional and other provisions

Insert at the end of clause 1:

*Parliamentary, Local Council and Public Sector Executives
Remuneration Legislation Amendment Act 2011*

Parliamentary, Local Council and Public Sector Executives Remuneration
Legislation Amendment Bill 2011

Schedule 1 Amendment of Parliamentary Remuneration Act 1989 No 160

[4] Schedule 3, clause 5

Insert at the end of Schedule 3:

**5 Basic salary changes after introduction of Bill for the
Parliamentary, Local Council and Public Sector Executives
Remuneration Legislation Amendment Act 2011**

If the annual allowance by way of salary payable under the law
of the Commonwealth is varied after 20 June 2011 and before the
Tribunal makes a determination under section 4 of this Act, the
basic salary for the purposes of this Act does not include (and is
taken never to have included) any amount that exceeds \$139,544.

Note. The amount of \$139,544 represents the basic salary of \$136,140
on 20 June 2011 increased by 2.5%.

Schedule 2 Amendment of Local Government Act 1993 No 30

Section 242A

Insert after section 242:

242A Tribunal to give effect to declared government policy on remuneration for public sector staff

- (1) In making a determination, the Remuneration Tribunal is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.
- (2) The policies referred to in subsection (1) do not include any policy that provides for increases in remuneration based on employee-related savings.

Schedule 3 Amendment of Statutory and Other Offices Remuneration Act 1975 (1976
No 4)

**Schedule 3 Amendment of Statutory and Other
Offices Remuneration Act 1975 (1976
No 4)**

Section 6AA

Insert after section 6:

**6AA Tribunal to give effect to declared government policy on
remuneration for public sector staff**

- (1) This section applies to the following determinations of the Tribunal:
- (a) the determination under Part 3 of any alteration in the remuneration to be paid to office holders,
 - (b) the determination under Part 3A of any alteration in the remuneration packages for executive office holders.

This section does not apply to determinations relating to judicial officers (within the meaning of the *Judicial Officers Act 1986*) or to determinations relating to any office while held by a specified person.

- (2) In making a determination to which this section applies, the Tribunal is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.

Schedule 4 Amendment of Health Services Act 1997 No 154

[1] Section 92 Manner of exercise of arbitrator's functions

Omit section 92 (2). Insert instead:

- (2) In making a determination under this Part, the arbitrator is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.

[2] Section 121J Determination of remuneration packages

Insert after section 121J (2):

- (3) In making a determination of the remuneration packages for health executives, the Director-General is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.