



NORTHERN TERRITORY OF AUSTRALIA

REMUNERATION TRIBUNAL

REPORT

AND

RECOMMENDATION NO. 1 OF 2011

ENVIRONMENTAL PROTECTION AUTHORITY

INTRODUCTION

1. On 18 July 2011, the Administrator issued a request to the Remuneration Tribunal as follows:

“to inquire into and make recommendations on the entitlements of the Environment Protection Authority”.

This request was made under section 8(1)(b) of the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*.

The Tribunal is established by section 17 of the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*. Section 8(4) of that Act provides that the Tribunal must prepare a report under section 8 of the Act following a request by the Administrator and section 8(5) provides that the report must include any recommendations made by the Tribunal on the matter specified in the request for the Inquiry. Section 8(6) requires the Tribunal to give a copy to the Administrator and Minister as soon as the report is made.

2. Section 4 of the *Environment Protection Authority Act* establishes the Authority and section 9 provides for an Authority of at least 4 but no more than 7 members. Section 10(3) provides the qualification that the Administrator must have in regard to making an appointment; being:
 - (a) the person’s skills and knowledge, including skills and knowledge relating to regional and indigenous issues;
 - (b) the person’s experience of environmental or business issues; and
 - (c) the person’s experience in working with the community.
3. The Tribunal has completed the inquiry and this report and recommendation completes the review.

CONDUCT OF THE INQUIRY

4. An advertisement calling for submissions to the Inquiry was placed in the NT News on Saturday 3 September 2011. Two submissions were received.
5. The Tribunal met with the Acting Executive Director and a number of Members of the Authority. The Tribunal also met with the Minister responsible of the Authority, the Chief Executive of the Department of the Chief Minister and the Commissioner for Public Employment.

REMUNERATION

6. The chairman and members of the Authority are currently paid sitting fees of \$1 800 and \$1 200 respectively per sitting day. It is understood that the fixing of these fees were set as an interim measure until the matter of longer term fee levels had been considered by the Tribunal.
7. The Tribunal has been advised of the remuneration payable per annum in some other jurisdictions for similar environmental bodies:

	<u>President/Chairperson</u>	<u>Deputy Chairman</u>	<u>Members</u>
Victoria	\$11 000		\$8 8000
Tasmania	\$30 652		\$18 032
South Australia	\$37 148		\$24 765
Western Australia	Not fixed	\$60 594	\$30 297

8. Members of statutory bodies are either paid a fixed annual rate or a daily rate. The daily rate is appropriate where members are provided with information which is available before a meeting or at a meeting and at the meeting decisions are made on the basis of that information. It would not normally be necessary for members to seek other information of their own volition and perhaps there would not be any requirement for them to continually keep abreast of technical or specialist information. A daily rate is paid on the time taken for appraisal of the information provided and time taken at the meeting. A fixed annual rate is appropriate where the chairman and members have control of the agenda, have frequent out-of-session meetings, need to consult often with staff and continually need to keep abreast of developments in the areas of their speciality so that they can use that information in their decision-making. In short, a fixed annual rate is appropriate when the nature of the commitment required by the chairman and members is similar to that of 'part-time staff'. The Tribunal considers the members of the Environmental Protection Authority to be in the latter category and should be paid a fixed annual amount as are most other members of similar environmental bodies in Australia.

9. It is well recognised that membership of government statutory bodies brings a degree of public service, respect and prestige. It is for these reasons that remuneration paid to members of such bodies is not as high as it would be if they were on private sector boards. Nevertheless the remuneration should be at a level to attract people of the right calibre and should reasonably compensate them for their level of professional skills and experience.
10. Northern Territory members of the Authority can potentially be significantly restricted in private work that they can undertake in the Northern Territory because a conflict of interest could arise if the Authority was conducting an inquiry in the area in which the member had participated. The real risk that the chairman and members could be very limited in what environmental work they could undertake in the Northern Territory means their remuneration level should take account of this factor.
11. The Tribunal was asked to give consideration to payment to two members who are full time employees of the Commonwealth Government. The Determination of entitlements of members of statutory bodies titled “Statutory Bodies Classification Structure” and dated 9 February 2010 (effective 1 March 2010) provides that a member is not entitled to be paid if the member is “an officer or employee of the Public Service of the Commonwealth or of a State or another Territory” unless the member does receive any salary in that capacity for the relevant period. A Commonwealth employee sitting as a member of an NT statutory board would not normally be paid sitting fees unless he or she were able to demonstrate that remuneration from a Commonwealth Agency is not being received whilst sitting on the relevant board. If this is the case, the applicable remuneration rate should flow to that member.
12. It is not proposed to make a comparative analysis of the work performed by the Authority with other such Authorities in Australia. To do so for comparative remuneration purposes would require an extensive study of the work of each Authority and an understanding of the support staff and their contribution to decision-making. This is not considered necessary for the purposes of this Inquiry.

Section 5 of the *Environment Protection Authority Act* states the function of the Authority is to advise the Minister, businesses and the community about ecological sustainable development in the Territory and the Act then provides directives on how to undertake its function. The Tribunal, in assessing the remuneration to be determined, has taken into account the Strategic Plan of the Authority, its last Annual Report and the review of the EPA undertaken by the State Government of Victoria State Services Authority 2010.

OTHER ENTITLEMENTS

13. The other entitlements generally available to members of the many Northern Territory Government statutory bodies include travelling allowance at public sector employee rates or actual cost differential, transport costs for business travel (economy class), and reimbursement of receipted business expenses. This is provided in the aforementioned “Statutory Bodies Classification Structure”. It would seem reasonable that these conditions apply to members of the Environment Protection Authority.

RECOMMENDATIONS

14. The Tribunal recommends that the entitlements of the members of the Environment Protection Authority be determined as follows:
 - (a) remuneration be paid at an annual rate for the Chairperson of \$46 500, and for other Members of \$25 575; and
 - (b) other expenses incurred be met or reimbursed as provided for in the aforementioned Determination “Statutory Bodies Classification Structure”, or subsequent replacement determinations as made by the Administrator from time to time.



JOHN FLYNN

Member

31 October 2011