

Ms Anne Cahill Lambert AM  
Chair  
ACT Remuneration Tribunal  
PO Box 964  
CIVIC SQUARE ACT 2608

Dear Ms Cahill Lambert

Thank you for the opportunity to comment on the discussion paper prepared by the Remuneration Tribunal about the methodology and other processes proposed to be observed by the Tribunal in its deliberations in respect of part-time office holders.

I note that some of the comments and contributions that the CIT Board made in phase 1 of the work done by the Tribunal last year have been reflected in the discussion paper. I would expect that you received similar comments to those submitted by us from other boards and committees that responded.

#### **Initial observations**

For our part, we acknowledge the work of the Tribunal and would broadly support the proposed approach for assessing remuneration and other benefits and for ensuring as far as possible a fair, consistent and transparent remuneration system, as outlined in the discussion paper. I would make the observation, however, that in the end the approach taken is really a matter for the Tribunal to decide upon with the simple aim of addressing each case on its merits. There are clearly different ways that this can be achieved and no one way is best in all circumstances, as was evident in the discussion paper.

Another observation that I would make is that while acknowledging that the discussion paper did cover decision-making there appeared to be a somewhat greater emphasis on the issue of the weighing up of economic versus non-economic matters compared to somewhat less emphasis on actual decision-making of office holders independent of government. While the issue of ensuring appropriate remuneration consideration for those office holders who deal with matters that may not be immediately and directly linked to an economic outcome or a large budget is important, often there is an inextricable link between office holders who exercise independent decision-making and direct financial accountability. Independent decision-making is equally as important to consider in determining remuneration and indeed the degree of responsibility for decision-making is usually a critical factor in work value assessment regardless of whether or not the office holder is dealing with budgets and financial matters or social policy issues.

#### **CIT Board**

Turning now to our experiences in terms of remuneration for the CIT Board. Our Board is comprised of a Chair and Deputy Chair who are both paid an annual amount. The remaining members include two directors-general (not entitled to payment), a staff member (generally not paid), a student member and two other members who have significant experience and knowledge in one or more of the areas required by the legislation – business and industry, vocational education and training and

digital learning, social policy issues, finance, governance, human resources, risk management or law. This broad range of experiences and circumstances makes the application of a fair and consistent remuneration regime difficult.

As the discussion paper indicates, remuneration should appropriately be determined by the value of the work being done – not the skills or expertise of the person performing the role. However, in the case of the CIT Board (and perhaps other boards) to some extent this has been pre-determined by the legislation. The CIT Act sets out clear requirements that the Minister must abide by when making appointments, namely specific and particular levels of expertise and knowledge. It is not the gift of the Minister to decide that the work required could be performed by someone without such prescribed skills – and indeed it cannot. This provides somewhat of a conundrum when determining remuneration, particularly relative remuneration between board members, and is exacerbated somewhat by the structural differences between remuneration types – i.e. annual and daily rate members. We will address this issue further in our submission to the Tribunal later in the year.

#### **Provision of materials and allowances**

We have no strong views about suggestions that materials (tablets and other electronic devices) and/or allowances be provided to part-time office holders although these could and often are provided by agencies in any event.

Finally, I should mention that as part of the Skills Reform National Partnership there is to be a review and evaluation of governance arrangements for public provision of VET training in the ACT. This relates specifically to reforms undertaken at CIT which culminated in changes to CIT's legislation and the introduction of a Governing Board from July 2015. The extent of this review has not yet been determined. I will update you on this matter when we provide our submission to the review of remuneration later in the year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Craig Sloan', with a large, stylized loop at the end.

Craig Sloan  
Chair  
22 June 2016