

## REMUNERATION PROCEDURES FOR PART-TIME CHAIRS AND MEMBERS OF QUEENSLAND GOVERNMENT BODIES

### Introduction

There are many different types of Queensland Government bodies. They range in scale and character from advisory committees providing policy advice on discrete areas of government policy to governing boards overseeing multi-million dollar government trading enterprises.

Details of the current government bodies are set out on the Queensland Register of Appointees to Government bodies' website at: <http://governmentbodies.premiers.qld.gov.au/>

Chairs and members of government bodies provide a significant contribution to the community through their participation on these bodies. Where appropriate, remuneration is a way to acknowledge this contribution and to recognise that good corporate governance of these bodies results in sustained and long-term value for Queensland. However, there is also an element of community service and the Government does not consider it necessary to remunerate the membership of all government bodies.

All proposals by a Minister to remunerate a new government body or change the remuneration arrangements for an existing body must be endorsed by Cabinet.

### Application

These procedures apply for the purposes of determining remuneration for all part-time chairs and members of Queensland Government bodies.

These procedures do not apply to full-time independent statutory office holders such as those listed in section 67 of the *Parliament of Queensland Act 2001* (for example, the Adult Guardian, Director of Public Prosecutions, Information Commissioner, Auditor-General and the Registrar-General of Births, Death and Marriages).

### Remuneration matrix

When it is considered appropriate to remunerate a Queensland Government body, the remuneration for chairs and members is to be determined by applying the Remuneration Matrix set out in **Attachment 1**.

The Remuneration Matrix is to be applied when a Minister proposes to:

- establish a new government body and the chair and/or members are proposed to be paid; or
- change the remuneration arrangements for an existing government body.

The Remuneration Matrix is also to be applied to existing government bodies as each appointment expires or when remuneration matters are progressed to Cabinet. This will allow for a gradual transition period in implementing the new scheme.

A Remuneration Assessment form is to be completed by a department to determine a category and category level and submitted to the Department of the Premier and Cabinet for assessment (**Attachment 2**). The Minister must seek Cabinet's endorsement for the proposed remuneration through a Significant Appointment or Policy submission and the Remuneration Assessment form must be attached to the submission.

Consultation must occur with the Department of the Premier and Cabinet at least 28 days before advance lodgement of the submission.

#### Categories

The Remuneration Matrix sets out four categories of government bodies:

- Enterprise;
- Governance;
- Regulation, administration and advice; and
- Adjudication and determination.

For each category there are three category levels. The Remuneration Matrix outlines the 'indicators' relevant to each of the category levels. The 'indicators' are based on the functions, and in some cases the business profile, of a government body.

The 'indicators' are used to assess where the relevant government body best fits in the matrix. Guidance on how to apply the 'indicators' and determine a category and category level is set out as part of **Attachment 2**.

Where a government body is comprised of different member types, it may be appropriate for a department to assess the membership of the body in two category levels. For example, the guide recognises that a government body in the "Adjudication and determination" category may include members requiring specialist qualifications and expertise, and members with or without qualifications.

Once a determination is made on the best fit for a government body and its members, each of the category levels in the matrix has corresponding remuneration.

#### Remuneration type

Remuneration for the membership of government bodies may be paid as an annual fee, daily fee or sessional/meeting fee. Deputy chairs are to be paid at the rates prescribed for members.

The types of remuneration are set out in the following table:

Category	Remuneration type	Decision making
Enterprise	Annual fee	Minister identifies appropriate pay point in the pay range for annual fees and sub-committee fees per committee position
	Sub-committee fee	
Governance	Annual fee	Minister identifies appropriate pay point in the pay range for annual fees and sub-committee fees per committee position
	Sub-committee fee	
Regulation, administration and advice	Annual or daily fee	Minister decides whether to pay annual or daily fees
	Sub-committee fee	Minister identifies appropriate pay point in the pay range for annual fees  Set amounts apply for daily fees, 50% to be paid if body or sub-committee meets for four hours or less  <i>NB: If a body is receiving annual fees and does not meet more than six times per year, Ministers should consider if daily fees are more appropriate.</i>
Adjudication and determination	Sessional or meeting fee	Set amounts apply for sessional or meeting fees

#### *Sub-committees*

Where a sub-committee of a government body has been established (i.e. under the parent government body's enabling legislation or constitution, or by a Cabinet decision), the chair and members are eligible to be remunerated for the appointment. Membership of the sub-committee may include members and non-members of the parent body. The Remuneration Matrix incorporates the fees payable to sub-committees, and chairs and members are to be paid fees for each sub-committee position that they hold.

The chair and members of a sub-committee are entitled to receive the sub-committee fees specified in the parent body's category level. Where the Minister considers that the fees in the parent body's category level are not appropriate for the sub-committee, a remuneration assessment should be completed.

Sub-committees of government bodies in the "Enterprise" and "Governance" categories are to receive annual fees. The Remuneration Matrix provides annual fee ranges for each category and category level. The Minister is to identify the appropriate fee in the range and the fee must be endorsed by Cabinet.

Sub-committees of government bodies in the "Regulation, administration and advice" category are to receive daily fees at the rates listed in the parent body's category level. In accordance with these procedures, 50% of the daily fee is to be paid if the sub-committee meets for four hours or less.

#### *Additional work time*

The annual fees paid to chairs and members of government bodies are inclusive of the total work commitment associated with appointment.

Chairs and members of government bodies who receive daily fees or sessional or meeting fees are eligible to be remunerated for the additional work time required to carry out their role (ie. to prepare for meetings or hearings, write reports or decisions, undertake consultation or carry out inspections). The remuneration entitlement is to be based on the total number of hours relating to a single hearing or meeting or the additional work performed. For example:

Total hours	Chair/Member total work time	Remuneration entitlement
4	"Regulation, administration and advice" category bodies 1 hour meeting preparation + 3 hour meeting	50% daily fee
3	"Adjudication and determination" category bodies 1 hour meeting preparation + 2 hour meeting	1 x sessional/meeting fee
6	"Adjudication and determination" category bodies 1 hour meeting preparation + 3 hour meeting + 2 hours report writing	2 x sessional/meeting fee
11	"Adjudication and determination" category bodies 2 hour meeting preparation + 4 hour hearing (for single or multiple matters) + 5 hours report writing	3 x sessional/meeting fee

The chair is responsible for determining what is reasonable additional work time for each meeting or hearing.

#### *Where significant travel is required*

'Significant travel' is where the total time spent travelling to and from a meeting or hearing (round-trip) from the chair or member's usual residence or workplace exceeds four hours.

The annual fees are an all encompassing fee which accounts for the time taken for significant travel. Chairs and members of these government bodies are not to be paid an additional fee for significant travel.



However, where daily or sessional fees are being paid, the chairs and members may be compensated for significant travel. This additional fee is to be calculated at 50% of the remuneration entitlement for attendance at the meeting or hearing.

#### **Out of pocket expenses**

Chairs and members of government bodies (whether they are paid or unpaid) are eligible to be reimbursed for reasonable out-of-pocket expenses including domestic travel, accommodation costs, motor vehicle allowances and meals. The allowances, as approved by the Governor in Council, are set out in [Attachment 3](#).

#### **Where a chair or member of a government body does not want to be paid**

When it is considered appropriate to remunerate a Queensland Government body and Cabinet has endorsed the proposed remuneration, individual chairs and members may elect not to be paid.

#### **Superannuation**

There are standard superannuation arrangements in place for members of certain Queensland Government Bodies, as listed in the schedule of the *Superannuation (State Public Sector) Notice 2010*.

Government body chairs and members have the option to choose either QSuper or another superannuation fund for their superannuation contributions.

#### **Taxation and GST**

Remuneration paid to chairs and members of government bodies is assessable under the *Income Tax Assessment Act 1997* (Cth).

GST is not payable on remuneration paid to government body chairs or members.

#### **Salary packaging**

The Queensland Government policy on salary packaging applies to chairs and members of government bodies. See Circular C1/11 at the following link:

<http://www.psc.qld.gov.au/publications/circulars/assets/2011-1--arrangements-for-salary-packaging-from-1-april-2011.pdf>

#### **Declaration of other benefits**

Other benefits, such as the payment of telephone accounts, credit cards and travel allowances, are to be declared at the time of the Remuneration Assessment and at the appointment of the chair or members. All benefits are to be specified in the instrument appointing the chair or members.

#### **Annual reporting**

The administering agency must report on information about government bodies in the agency's annual report. The annual reporting requirements are available at the following link:

<http://www.premiers.qld.gov.au/publications/categories/guides/annual-report-guidelines.aspx>

### Public sector employees

Public sector employees, employed full-time or part-time, who are appointed as part-time chairs or members of government bodies are not to be paid daily fees or annual allowances except where this is approved by government.

The conditions under which this approval is sought are:

- where the employee's chief executive certifies that the appointment is not connected in any way with the employee's employment and the meetings etc. are held outside ordinary working hours; or
- where deductions are made from the employee's wages when he or she attends meetings or other activities of the government body during normal working hours or during other legitimate time off (e.g. banked time leave, annual leave) viz. unpaid leave.

A Chief Executive Officer certification form is included at **Attachment 4**.

*The reasons for recommending payment to public sector employees must be provided in the significant appointment Cabinet submission and Executive Council Minute.*

Where meeting fees are permitted by legislation to be paid, public sector employees are to be included in the Executive Council Minute with a stipulation that they are not to be remunerated, unless Cabinet determines that remuneration is to be paid in accordance with one of the exceptions above.

Where attendance at government body meetings is a function of an employee's work, normal public service conditions apply. For employees with an entitlement, the chief executive may approve overtime or time off in lieu. Other conditions such as travel allowance might also apply.

'Public sector employees' mean employees of federal, state or local governments, employees of semi-government organisations, either federal or state, including statutory authorities and employees of state and local government owned corporations and colleges. For the purpose of these procedures members of any parliament within Australia, elected local government representatives, judges, magistrates and other judicial and quasi-judicial officers are also regarded as public sector employees.

Paid officials or employees of universities are not included in this category.

### Previous remuneration rates

The remuneration rates contained in the former policy, *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities*, and approved for a government body remain in force until the new Remuneration Matrix is applied and the new rate is approved by the relevant approving authority (Cabinet, Governor in Council or shareholder/s). The previous remuneration categories and fees are provided at **Attachment 5**.



Board

Attachment 4 Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies

ATTACHMENT 1

REMUNERATION MATRIX		Level 1	Level 2	Level 3
<b>ENTERPRISE</b>				
Indicators	Revenue/budget >\$1B Net assets >\$1B Total funds managed for third parties >\$1B High level of commercial and organisational risk High level of complexity	Revenue/budget \$50.1M to \$99.9M Net assets \$75.0M to \$99.9M High to moderate level of commercial and organisational risk High to moderate level of complexity	Revenue/budget <\$500M Net assets <\$500M Moderate level of commercial and organisational risk Moderate level of complexity	
Annual fees	Chairperson – 80,000 to 165,000 Member – 45,000 to 70,000	Chairperson – 50,000 to 100,000 Member – 30,000 to 45,000	Chairperson – 30,000 to 50,000 Member – 20,000 to 30,000	
Annual sub-committee fees	Chairperson – 6,000 to 16,000 Member – 4,000 to 11,000	Chairperson – 4,000 to 6,000 Member – 3,000 to 5,000	Chairperson – 4,000 to 6,000 Member – 3,000 to 5,000	
<b>GOVERNANCE</b>				
Indicators	Revenue/budget >\$200M Net assets >\$200M Total assets >\$200M High level of independence High level of risk High level of complexity	Revenue/budget \$75.1M to \$199M Net assets \$50.1M to \$199M Total assets \$20.1M to \$199M High to moderate level of independence High to moderate level of risk High to moderate level of complexity	Revenue/budget <\$75M Net assets <\$50M Total assets <\$20M Moderate level of independence Moderate level of risk Moderate level of complexity	
Annual fees	Chairperson – 75,000 to 105,000 Member – 40,000 to 75,000	Chairperson – 35,000 to 75,000 Member – 15,000 to 40,000	Chairperson – 5,000 to 35,000 Member – 3,000 to 15,000	
Annual sub-committee fees	Chairperson – 4,000 to 6,000 Member – 3,000 to 5,000	Chairperson – 2,500 to 4,000 Member – 2,000 to 3,000	Chairperson – 1,000 to 2,500 Member – 500 to 2,000	
<b>REGULATION, ADMINISTRATION &amp; ADVICE</b>				
Indicators	Regulatory and investigative powers Registration, licensing or accreditation responsibilities Significant influence on or reform of a particular industry, sector of the government or community or a profession	Administration and management of a range of activities and resources Research activities or independent expert advice on programs that impact the State or influence Government policy	Consultation, advisory and liaison activities Policy/operational advice with influence on a specific aspect of Government policy or a particular region	
Annual fees	Chairperson – 4,500 to 10,000 Member – 3,500 to 7,500	Chairperson – 3,500 to 7,500 Member – 3,000 to 6,000	Chairperson – 2,500 to 6,000 Member – 2,000 to 4,500	
Where a board meets 6 times or less per year, the Minister may pay daily fees*	Chairperson – 650 Member – 500	Chairperson – 520 Member – 400	Chairperson – 390 Member – 300	
<b>ADJUDICATION &amp; DETERMINATION</b>				
Indicators	Determinative and adjudicative powers that significantly impact on individuals (injury and impairment, health and serious offender parole) Appointed members require specialist medical, legal or other relevant qualifications and experience	Determinative, review or investigative powers that impact on individuals (health, parole, minor civil disputes and remuneration), sectors of the community or organisations Appointed members require legal or other relevant qualifications and experience	Determinative, review or investigative powers that impact on individuals, a particular industry, profession or other standards of importance in the community Appointed members may or may not require qualifications	
Sessional or meeting fees (four hours or less)	Chairperson – 1843 (injury and impairment) Chairperson – 715 (other) Member – 1536 (injury and impairment) Member – 700 (court appointments) Member – 550 (other)	Chairperson – 520 Member – 400	Chairperson – 325 Member – 250	

\* Daily fees – 50% to be paid if work time is four hours or less. Rates are applicable for regular meetings, sub-committee meetings and additional work time.



## REMUNERATION MATRIX – GUIDE TO SELECTING CATEGORY AND LEVEL

ENTERPRISE	
Government body which is wholly responsible for the way a government owned enterprise performs its functions and exercises its powers in delivering or selling goods or services in a commercial manner.	
Level 1	
Revenue/budget*	>\$1B
Net assets*	>\$1B
Total assets*	>\$1B
Total funds managed for third parties	>\$1B
High level commercial and organisational risk	
High level complexity	
Level 2	
Revenue/budget*	\$501M to \$999M
Net assets*	\$501M to \$999M
Total assets*	\$750M to \$999M
High to moderate level commercial and organisational risk	
High to moderate level complexity	
Level 3	
Revenue/budget*	<\$500M
Net assets*	<\$500M
Total assets*	<\$750M
Moderate level commercial and organisational risk	
Moderate level complexity	
GOVERNANCE	
Government body which is partially or wholly responsible for the way a government entity performs its functions and exercises its powers.	
Level 1	
Revenue/budget*	>\$200M
Net assets*	>\$200M
Total assets*	>\$200M
High level independence	Government body which makes independent decisions, are subject to limited Ministerial direction, have primary accountability for strategy, budget and revenue management, procurement and staffing including recruitment of executives (e.g. employs CEO without Ministerial approval and CEO reports to body), and which have policy autonomy (e.g. adjudicate market practices).
High level risk	Government body which oversees a government entity whose failure would have a critical, possibly devastating impact on the State or industry, or may severely impact public confidence in the government.
High level complexity	Outcomes impact on multiple industries or a very large client base (i.e. state-wide), engaging with multiple competing stakeholders and managing consumer demand; dynamic operational environment characterised by uncertainty. May involve developing relationships with private sector operators and not-for-profit organisations to transform service delivery; Requires a very high level of managerial or professional expertise.
Level 2	
Revenue/budget*	\$75.1M to \$199M
Net assets*	\$50.1M to \$199M
Total assets*	\$20.1M to \$199M
High to moderate level independence	Government body has significant influence over strategy and operations (e.g. in collaboration with Minister develops a strategic and operations plan), budget and revenue management, procurement and staffing (e.g. recommends CEO for appointment or decides CEO conditions of employment).
High to moderate level risk	Government body which oversees a government entity whose failure would have a significant and direct impact on the reputation of a department or government body, or may moderately impact public



	confidence in the government.
<b>High to moderate level complexity</b>	Outcomes impact on an industry, or regional, or a large client base (i.e. multiple local government areas), or state-wide impact associated with oversight of multiple stakeholder interest and/or major segments of the community or the state's economy or budget outcome; operational environment is subject to change.
<b>Level 3</b>	
<b>Revenue/budget*</b>	<\$75M
<b>Net assets*</b>	<\$50M
<b>Total assets*</b>	<\$20M
<b>Moderate level independence</b>	Government body which shares responsibility and accountability with the administering department for strategy (e.g. Minister issues directions about strategy), budget and revenue management, procurement and staffing (e.g. Minister appoints CEO and CEO reports to Minister), together with a significant dependence on government for its funding.
<b>Moderate level risk</b>	Government body which operates, or who oversees a government entity, with low risk exposure for the government and the State.
<b>Moderate level complexity</b>	Local or well defined operations delivered in a stable environment; outcomes impact on limited industry, stakeholders or consumers.

<b>REGULATION, ADMINISTRATION &amp; ADVICE</b>	
<b>Regulation</b>	Government body which regulates registration, licensing or accreditation for professions, business and industry and/or the administration or enforcement of an Act. The body may also be responsible for addressing complaints regarding the conduct of a professional, an industry or a business and deciding disputes referred to it under an Act. Regulation activities may impact on a Government department or entity, or the rights of a profession, an industry, a business, or individual practitioners. Scope of operation usually in a strategic area of government service or economic activity.
<b>Administration</b>	Government body which administers or manages a range of activities and resources. The body would usually be responsible for managing the operations of a small entity established under an Act or other instrument. Responsibilities may include making decisions or recommendations about the allocation of funding, administering a trust, facilitating and promoting research, funding and managing contracts for training/education programs and protecting and improving Queensland's natural resources.
<b>Advice</b>	Government body which provides independent expert or policy/operational advice. The body primarily undertakes research, consultation, advisory and liaison activities and makes recommendations affecting Government policy. Scope of influence ranges from significant influence on or reform or Government policy, to impacting on the State, or limited to a specific aspect of Government policy or a particular region. Advice may focus on an industry, sector of the community, a profession, or programs that impact the State or a region. Administering department is accountable.

<b>ADJUDICATION &amp; DETERMINATION</b>
Tribunals, Courts, Boards, Committees, Commissions and Panels that exercise determinative, adjudicative, review or investigate powers or conduct dispute resolution activities. Decisions or determinations may be final and binding or appealable. Outcomes may impact on individuals (including injury and impairment, health, parole, minor civil disputes and remuneration), sectors of the community, organisations, a particular industry and professions or relate to other standards of importance in the community. The body may be constituted by a group of members or a single person. The qualifications and experience of appointed members range from a requirement to have specialist medical, legal or other relevant qualifications and experience to not requiring qualifications.

\*Revenue/budget - the full accrual income arising from operations during the year, recorded in the income statement; identified as actual budget or total revenue; shows the liquidity of the business.  
 \*Net assets - shows the net worth of the entity, which is made up of the total assets minus total liabilities.  
 \*Total assets - total assets owned by the entity, which will equal total liabilities plus total equity.