



AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

Statement Number 116

Chief Executives and Executives

Background

Paragraphs 10 (1) (j) and (k) of the *Remuneration Tribunal Act 1995* require the Tribunal to inquire into, and determine, the remuneration and allowances to be paid, and other entitlements to be granted, to a Chief Executive and a person who is an Executive within the meaning of the *Public Sector Management Act 1994*.

The Tribunal last reviewed the remuneration, allowances and other entitlements for Chief Executives and Executives in May 2002 and subsequently issued Determination Number 103, dated 28 May 2002.

This latest review, which sought submissions from interested parties, was advertised in the press on 5 and 8 February 2003.

Tribunal Consideration

Submissions were received from the Chief Minister on behalf of the Government and the Chief Executive, Education, Youth and Family Services. No other submissions were received.

Remuneration

The Chief Minister's submission recognised that it may be possible to identify some pay pressures on the basis of comparisons with Executives in other jurisdictions, particularly for Level 1 Executive positions. The submission also suggested that the Territory cannot or should not be a market leader and cannot compete directly with higher paying Commonwealth agencies.

The submission further proposed that any increase granted to Chief Executives and Executives should maintain consistency with recent increases granted to staff of the ACT Public Service.

The Tribunal, taking into account the Chief Minister's submission and general economic conditions, has determined that an increase of 6.8% is justified. The new rates shown in the table in Schedule A of this Determination shall apply with effect from 1 July 2003.

Motor Vehicles

Determination 103 of 28 May 2002 states that, where an Executive wishes to use a Territory provided motor vehicle, the vehicle will be provided in accordance with guidelines issued by the Administering Chief Executive. Vehicles provided under that Determination were required to be Australian made, except for those vehicles up to and including 1.8 litre engine capacity where no limitations apply in relation to country of manufacture.

The Tribunal now believes that it is more appropriate for the Tribunal to set these entitlements for motor vehicles. Accordingly, the entitlements are as set out in the attached Determination, although it makes no significant changes to Executives entitlements. The Determination also provides for the Administering Chief Executive to continue to issue guidelines in relation to the operation and administration of entitlements for motor vehicles as set by the Tribunal.

Relocation Expenses

Determination 103 gave the Commissioner for Public Administration the power to:

- Approve, in exceptional circumstances, a request for a relocation allowance that exceeds the maximum amount payable of \$35,000;
- Approve, in exceptional circumstances, the extension of the period of a temporary reallocation allowance from a maximum period of six months to a maximum period of nine months;
- Approve any other reasonable expenses, in addition to those set out in clauses 4.3(a) to (h), necessarily incurred in relocating to the ACT;
- Approve, having regard to the reasonable personal circumstances, the continuation of rental subsidy arrangements where those entitlements existed before Determination 31 of 1998.

The Tribunal now believes that it is more appropriate for the Tribunal to set these entitlements for relocation allowances. In the case of Executive relocation allowances, the provisions that formerly permitted the Commissioner for Public Administration to consider and approve increases to or extensions of set entitlements have been revoked. Chief Executives and Executives who wish to apply for increases or extensions will now need to make a submission to the Tribunal.

Accordingly, the entitlements are as set out in the attached Determination.

Salary Packaging Scheme

Determination 103 provided that the benefits available to be included in an Executive salary packaging arrangement were to be decided by the Commissioner for Public Administration from time to time.

The Tribunal now believes that it is more appropriate for the Tribunal to set these entitlements. Accordingly, the entitlements are as set out in the attached Determination. The Determination also adopts the ACT Public Service Salary Packaging Policy and Procedures released by the Commissioner for Public Administration.

Private Telephone Accounts

The current telephone allowance comprises the telephone rental and up to 200 local calls or equivalent and if fully utilised equates to an amount of \$306.80 per year.

The Tribunal determined that the telephone allowance of \$307 (rounded) be added to the base salary of Chief Executives and Executives.

Fringe Benefits Tax Allowance

The Tribunal considered a submission that the current Fringe Benefits Tax allowance of \$2,000 was too low and did not reflect the actual FBT paid. The major item that affects the FBT is the allowance for motor vehicles.

The Tribunal determined that the Fringe Benefits Tax allowance be increased to \$5,000.

Other Entitlements

All other entitlements are as previously determined.



AUSTRALIAN CAPITAL TERRITORY
REMUNERATION TRIBUNAL

Determination Number 116

Chief Executives and Executives

Pursuant to paragraphs 10 (1) (j) and (k) of the *Remuneration Tribunal Act 1995* the Remuneration Tribunal has inquired into the remuneration and allowances to be paid, and other entitlements to be granted to Chief Executives and Executives within the meaning of the *Public Sector Management Act 1994*.

This Determination shall take effect from 1 July 2003.

Bill Lawrence MBE
Chair

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April 2003

Roberta McRae OAM
Member

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Alan Kerr AM
Member

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AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

Determination Number 116

Chief Executives and Executives

The Tribunal determines as follows:

1. Remuneration

1.1 An Executive whose position is classified at a level shown in column 1 of Schedule A shall be entitled to the remuneration for that level shown in column 2 of Schedule A.

2. Employer Provided Benefits

2.1 In addition to the remuneration shown in Schedule A, an Executive shall be entitled to the various employer provided benefits or, where applicable, the relevant cash equivalents of the benefits, as shown in Schedule B.

3. Salary Packaging Scheme

3.1 Subject to the following conditions, an Executive may elect to take remuneration shown in Schedule A as salary or take a combination of salary and other benefits best suited to his or her personal needs and preferences.

3.2 The scheme is to be consistent with taxation laws and guidelines applicable to salary packaging schemes, as issued by the Australian Taxation Office.

3.3 The scheme is to be based on the ACT Public Service Salary Packaging Policy and Procedures issued by the Commissioner for Public Administration, with no more than 50% of the relevant remuneration shown in Schedule A to be taken as benefits and related costs such as fringe benefits tax. Executives working for Public Benevolent Institutions may not package more than 20%.

3.4 The scheme shall be operated and administered so that there will be no additional cost to the ACT Government. In particular, any fringe benefits tax associated with the provision of a benefit is to be included in the salary package.

3.5 The salary for superannuation purposes of each Executive is unaffected by participation in the salary packaging scheme.

4. Relocation Allowance

4.1 Where an Executive is relocated from a residence outside the ACT to Canberra, as a result of a fixed-term appointment or engagement, he or she shall be entitled to be reimbursed the actual, receipted, reasonable costs of relocating his or her residence to the ACT subject to the following conditions.

4.2 Total maximum amount under this provision shall not exceed \$30,000, except where an Executive is appointed after 1 July 2001, when the maximum amount payable will be \$35,000, unless there are exceptional circumstances agreed to by the ACT Remuneration Tribunal.

4.3 Reimbursement may be made in respect of: -

- (a) packing of personal effects and furniture belonging to the Executive and his or her partner;
- (b) necessary storage of personal effects and furniture;
- (c) removal costs and associated insurance of personal effects and furniture;
- (d) unpacking of personal effects and furniture;
- (e) costs of travel, accommodation and meals between the former location and the ACT or Queanbeyan;
- (f) temporary accommodation costs at the former location and in the ACT or Queanbeyan subject to a maximum period in all of six months, or, in exceptional circumstances, nine months with the approval of the ACT Remuneration Tribunal;
- (g) costs of disconnection and reconnection of utilities;
- (h) cost of stamp duty and legal and professional services associated with the sale of the residence at the former location and the purchase of a residence or lease on a block of land in the ACT, or the purchase of a residence or block of land in Queanbeyan; and
- (i) subject to the approval of the ACT Remuneration Tribunal, any other reasonable expenses necessarily incurred in relocating to the ACT or Queanbeyan.

4.4 This entitlement does not apply to any expenses incurred at the conclusion of employment.

4.5 Notwithstanding the provisions of this or any earlier ACT Remuneration Tribunal Determination relating to Chief Executive and Executive Relocation Allowances, where the Chief Minister, Administering Chief Executive or delegate has certified the re-engagement of a Chief Executive or Executive in accordance with section 28C or 75 of the *Public Sector Management Act 1994*, the ACT Remuneration Tribunal may, having regard to the reasonable personal circumstances of the Chief Executive or Executive, approve the continuation of rental subsidy reimbursements where those entitlements existed before Determination 31 of 1998.

5. **Revocation of Previous Determinations**

5.1 Determination 103 made on 28 May 2002 is revoked.

Schedule A

Remuneration Payable to Chief Executives and Executives (from 1 July 2003)

Column 1 Position Classification	Column 2 Remuneration (per annum)
Executive (Level 3.12)	\$234,290
Executive (Level 3.11)	\$217,124
Executive (Level 3.10)	\$205,717
Executive (Level 3.9)	\$195,527
Executive (Level 3.8)	\$185,339
Executive (Level 3.7)	\$175,204
Executive (Level 2.6)	\$168,837
Executive (Level 2.5)	\$144,693
Executive (Level 2.4)	\$134,504
Executive (Level 1.3)	\$118,001
Executive (Level 1.2)	\$107,812
Executive (Level 1.1)	\$97,623

Schedule B

Employer Provided Benefits - Chief Executives and Executives

Benefits

Benefit	Annual Cash Payment or Cash Payment In Lieu of Benefit
Employer's Superannuation Contribution	As set out in clause 2 of this schedule
Use of Government leased motor vehicle	As set out in clause 4 of this schedule
Parking	\$1,000
Accompanied travel	\$1,000
Private telephone accounts	Nil. Telephone allowance is included in basic salary
Fringe Benefits Tax allowance	\$5,000

Conditions

1. General

1.1 The value of the remuneration component and the employer-provided benefits (EPBs) shall be fixed and non-transferable to other components of the total remuneration package.

1.2 An Executive shall be entitled to the EPBs, or their cash equivalent (excluding the employer's contribution to superannuation and the FBT, except in accordance with Clause 3.2). Each EPB shall be separate, fixed and shall not be transferable so as to increase or decrease any other EPB.

2. Employer's Superannuation Contribution

2.1 The value of the employer's superannuation contribution shall not be paid in cash to the Executive.

2.2 Any EPB taken in cash shall not increase the remuneration component set out in column 2 of Schedule A for superannuation purposes.

2.3 In the case of an Executive who is a member of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS): -

- (a) the employer shall continue to meet its requirements under the *Superannuation Act 1976* (C'wlth) and the *Superannuation Act 1990* (C'wlth) as they apply to those Executives who are contributory members of the CSS and PSS established under those Acts; and
- (b) for the purposes of calculating the entitlements component of the total remuneration package, the value of the employer's superannuation contribution shall be notionally deemed to be 16% of the remuneration component.

2.4 In the case of an Executive who is not a member of the CSS or PSS or, in the case of an Executive who became ineligible to remain as a contributory member of the PSS, by reason of having reached his or her reasonable benefit limit: -

- (a) the value of the employer's superannuation contribution shall be 16% of the remuneration component; and
- (b) the employer shall contribute an amount equal to this on behalf of the Executive to an agreed superannuation fund nominated by the Executive.

3. **Elections - Employer Provided Benefits (EPBs)**

3.1 Prior to signing the contract of employment an Executive shall elect which of the EPBs he or she wishes to retain or to be paid in cash.

3.2 The amount of the Fringe Benefits Tax Allowance payable to the Executive will be the amount remaining after the employer's liability for fringe benefits tax is calculated, as required under the *Fringe Benefits Tax Assessment Act 1986*.

3.3 If the liability for fringe benefits tax exceeds the sum of \$5,000 the Executive shall not be required to pay the excess to the employer.

3.4 An Executive's right to take an annual EPB (or cash in lieu) shall be reduced proportionally where the relevant employment comprises only part of a financial year.

3.5 Where an Executive elects to take an EPB in cash the total value of the elected EPB shall be paid to the Executive in equal fortnightly instalments.

4. **Motor Vehicle and Parking**

Entitlement to the Use of a Vehicle

4.1 An Executive shall, at his or her request, be entitled to the use of a private-plated passenger motor vehicle chosen by the Executive from within the Territory's leasing arrangements ("vehicle") in accordance with the following conditions.

Lease Rate

4.2 An Executive of a particular level is not entitled to choose a vehicle where the quoted lease rate for that vehicle exceeds the quoted lease rate for the benchmark vehicle for that Executive level.

The expression "quoted lease rate" for a vehicle means the monthly lease rate for that vehicle, based on a lease term of 24 months/40,000 kilometres, quoted by the Territory's fleet manager at the time an order is placed for that vehicle.

The Executive levels and benchmark vehicles are as follows:

Executive Level	Benchmark Vehicle
Up to and including Executive level 1.3	Holden Commodore Acclaim 3.8 litre auto wagon
Executive levels 2.4, 2.5 and 2.6	Holden Commodore Berlina 3.8 litre auto wagon
Executive level 3.7 and above	Holden Calais 3.8 litre auto sedan

Standard Vehicles

4.3 An Executive may choose:

- (a) an Australian-made vehicle having an engine capacity of over 1.8 litres; or
- (b) a vehicle having an engine capacity of 1.8 litres or less.

Australian made shall be taken to mean a motor vehicle that has undergone a process of colour coated painting in Australia and has passed final quality control at the end of a production line in Australia.

Non Standard Vehicle

4.4 Notwithstanding clause 4.3, an Executive may choose a non-Australian made vehicle having an engine capacity of over 1.8 litres, where:

- a) the lease rate for that vehicle does not exceed the maximum lease rate for that Executive determined in accordance with clause 4.2; and

- b) the Chief Executive of the employing agency of the Executive certifies in writing that, in the opinion of that Chief Executive, the particular vehicle is necessary for the operational requirements of the agency.

4.5 Notwithstanding clause 4.3, a Chief Executive may choose a non-Australian made vehicle having an engine capacity of over 1.8 litres, where:

- a) the lease rate for that vehicle does not exceed the maximum lease rate for that Chief Executive, determined in accordance with clause 4.2; and
- b) the Commissioner for Public Administration certifies in writing that in the opinion of the Commissioner, the particular vehicle is necessary for the operational requirements of the Chief Executive's agency.

No Access to Prestige, Sports or Convertible Models

4.6 An Executive is not entitled to choose a prestige, sports model or convertible vehicle, even if such a vehicle would satisfy the other conditions of this Determination. Prestige vehicles include Ford Fairlane, Ford LTD, Holden Caprice, Holden Statesman and equivalent vehicles made by other manufacturers. Sports models include vehicles that have side skirts and spoilers fitted.

Upgrade of Benchmark Vehicle

4.7 Notwithstanding clause 4.2, but subject to the other provisions of clause 4, the Chief Executive of an employing agency of an Executive may approve the provision to an Executive of a vehicle one level above the benchmark vehicle for that executive as determined in accordance with clause 4.2. In such circumstances, the Executive must pay the Territory the amount by which the lease payments for the selected vehicle exceed the lease payments for the benchmark vehicle for that Executive. This amount is to be calculated as at the date of commencement of the lease of the vehicle, and on the assumption that the lease rates remain constant for the term of the lease. The Executive must pay this amount fortnightly in arrears.

4.8 If clause 4.7 applies then, subject to clause 3 of this Determination (Salary Packaging Scheme) and to the approval of the Chief Executive of the employing agency of the Executive, the amounts payable by the Executive under clause 4.7 may be made through an approved salary packaging arrangement.

Running and Maintenance Expenses

4.9 An Executive shall not be responsible for running and maintenance expenses except that, when an Executive uses a vehicle on more than two days consecutive leave, the Executive must meet the costs of fuel associated with that period of leave. An Executive will also be provided with a parking space for the Executive's vehicle at or near the Executive's principal place of work.

Vehicles Options and Modifications

- 4.10 a) if an Executive has a disability that affects his or her ability to drive a standard vehicle, the Executive shall be entitled to such modifications or options as the Chief Executive of the employing agency of the Executive certifies in writing as being reasonably necessary to enable the Executive to drive a vehicle.
- b) if a Chief Executive has a disability that affects his or her ability to drive a standard vehicle, the Chief Executive shall be entitled to such modifications or options as the Commissioner for Public Administration certifies in writing as being reasonably necessary to enable the Chief Executive to drive a vehicle.
- c) an Executive shall be entitled to choose optional items of equipment (in addition to those which are provided as part of the standard fit-out of a vehicle) as follows:
- (i) a standard tow pack;
 - (ii) if the vehicle is a station wagon or similar vehicle, a cargo barrier; and
 - (iii) such other equipment as the Chief Executive of the employing agency of the Executive certifies in writing as being necessary or convenient for the operational requirements of the Executive's agency.
- d) a Chief Executive shall be entitled to choose optional items of equipment (in addition to those which are provided as part of the standard fit-out of a vehicle) as follows:
- (i) a standard tow pack;
 - (ii) if the vehicle is a station wagon or similar vehicle, a cargo barrier; and
 - (iii) such other equipment as the Commissioner for Public Administration certifies in writing as being necessary or convenient for the operational requirements of the Chief Executive's agency.

Remuneration Package Value

4.11 For the purposes of calculating the value of the total remuneration package the following notional values are set:

Executive Level	Total Remuneration Package Value
Up to and including Executive level 1.3	\$15,000
Executive levels 2.4, 2.5 and 2.6	\$15,500
Executive level 3.7 and above	\$17,000

General

4.12 When an Executive is working at his or her normal place of work then, except where the vehicle is being repaired or serviced, the Executive must bring the vehicle to work and make it available for use by other staff of the Executive's agency during normal business hours.

4.13 An Executive may use a vehicle for private purposes outside normal business hours. However, an Executive must not use the vehicle for personal gain or permit the vehicle to be used by others for personal gain.

4.14 The Administering Chief Executive may issue guidelines in relation to the operation and administration of this entitlement.

Cash in Lieu

4.15 Where an Executive elects to take the cash benefit instead of the motor vehicle, the cash benefit shall be 75% of the notional value, as set out below:

Executive Level	Cash in Lieu Value
Up to and including Executive level 1.3	\$11,250
Executive levels 2.4, 2.5 and 2.6	\$11,625
Executive level 3.7 and above	\$12,750

Such an Executive is not entitled to any other cash payment or benefit relating to the use or non use of a vehicle.

4.16 Where an Executive elects not to take a Government provided vehicle, the Executive may still elect to have a parking space. If an Executive does not wish to have an employer provided parking space then the Executive shall be paid the cash benefit in lieu.

Where an Executive elects to be provided with an Employer provided vehicle, the Executive must also be provided with a parking space.

5. **Accompanied Travel Entitlement**

5.1 An Executive may nominate a person to accompany the Executive while the Executive is travelling outside Canberra.

5.2 Where an Executive elects to retain the EPB of accompanied travel the employer shall provide the benefit up to the value of \$1,000 each year upon application being made, provided that the nominee is accompanying the Executive and the Executive is travelling on official business.

5.3 For the purposes of this clause, reimbursement may be made for the return fares in the same class of travel as that of the Chief Executive or Executive, and the reasonable additional cost of accommodation expenses associated with that travel up to the allowable benefit of \$1,000. The benefit may be used on one or more occasions each year (subject to the value of the benefit not exceeding \$1,000).

6. **Definitions**

In this Determination: -

“Act” means the *Public Sector Management Act 1994*.

“Administering Chief Executive” means the Chief Executive of the administrative unit responsible for administering the Act.

“Agreed superannuation fund” means a fund complying with the requirements of the *Income Tax Assessment Act 1936* (C’wlth) and complying with the *Superannuation Industry (Supervision) Act 1993* (C’wlth) where relevant.

“Employer” means the Australian Capital Territory and includes any person authorised to act on behalf of the Australian Capital Territory in relation to any act, approval or direction to be done, granted or exercised, by or on behalf of the Australian Capital Territory.

“Executive” means (except in Clauses 4.4, 4.5, 4.7, 4.8 and 4.10 of Schedule B) both an Executive and a Chief Executive within the meaning of the Act. In Clauses 4.4, 4.5, 4.7, 4.8 and 4.10 of Schedule B “Executive” means an Executive within the meaning of the Act, and “Chief Executive” means a Chief Executive within the meaning of the Act.

“Fringe Benefits Tax” means the tax assessed under the *Fringe Benefits Tax Assessment Act 1986*.