



**REPORT ON SES REMUNERATION IN THE  
AUSTRALIAN PUBLIC SERVICE GOVERNMENT**

**for the**

**HEAD OF SERVICE  
ACT GOVERNMENT DIRECTORATES**

July 2017  
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## BACKGROUND

Workplace Research Associates was commissioned by Ms Kathy Leigh, Head of Service, ACT Government Directorates and Director-General, Chief Minister, Treasury, and Economic Development Directorate (CMTEED) to gather information on SES remuneration arrangements within the Australian Public Service (APS). The purpose of this project was to gather information about *actual* (including additional incentives) remuneration arrangements for SES staff in selected APS departments, to understand any potential remuneration gaps that may impede the attraction and retention of talented executives from the Commonwealth to the ACT sector.

This report first presents a table summarising the remuneration arrangements for six APS departments / agencies and then more detailed information is presented for each agency / department separately.

## METHODOLOGY

Data were collected from six Commonwealth departments. Telephone interviews were conducted with representatives of the majority of departments, and all departments sent through supporting documentation including salary ranges, remuneration and performance management policies, allowances, reimbursement guidelines and salary sacrificing policies.

In particular, information was gathered on the following:

- Actual salary ranges
- Flexibility in starting salary and progression within ranges (e.g. 'increment' type progression on a yearly basis, bonuses, loadings/allowances)
- Salary maintenance when moving from another department
- Professional development
- Technology allowance
- Car and/or parking allowances
- Fringe Benefits Tax arrangements
- Salary sacrificing
- Superannuation contribution
- Other incentives or bonuses.

It is important to note that all data and information presented in this report have been de-identified and specific agencies have not been named.

All salary ranges quoted were current at the time of gathering the data i.e. June/July 2017. SES salaries only increase, generally, on an annual basis as part of a performance review process – this is summarised in the table below under "Flexibility". For the most part, the salary increases are in line with what is provided for non-SES staff in the agency's current Enterprise Agreement. The dates of annual / performance reviews vary from agency to agency and so many of the rates quoted at June / July 2017 will increase before 30 June 2018 in line with the arrangements outlined in the report. Information was not collected about the dates of annual / performance reviews however, since they occur at least annually, in general, salary rates are likely to increase in the current financial year for most SES staff.

## SUMMARY OF FINDINGS

Below, we present a summary table comparing the findings for each agency / department.

	<b>AGENCY A</b>	<b>AGENCY B</b>	<b>AGENCY C</b>	<b>AGENCY D</b>	<b>AGENCY E</b>	<b>AGENCY F</b>
<b>Salary Range</b>	Band 1: \$168,422 - \$195,734 Band 2: \$217,356 - \$242,392 Band 3: \$320,000	Band 1: \$171,557 - \$198,943 Band 2: \$217,202 - \$254,223 Band 3: \$281,479 - \$329,655	Band 1: \$168,545 - \$213,282 Band 2: \$218,484 - \$270,504 Band 3: \$306,000 - \$382,574	Band 1: 177,526 - \$247,784 Band 2: \$248,829 - \$306,332 Band 3: \$307,377 - \$360,698	Band 1: \$159,125 - \$255,067 Band 2: \$212,885- \$276,009 Band 3: \$326,282	Band 1: \$157,000 - \$203,000 Band 2: \$210,000 - \$259,000 Band 3: \$297,000 - \$352,000
<b>Flexibility</b>	Start at base of range. Increase aligns with EA. Additional increases available. Task loadings paid for special projects.	Start at base of range. Salary increases are performance-based. Performance bonuses available.	Start at base of range. Paid above range for specialised skills/experience or special project. Increase aligns with EA. Additional salary increases are performance-based.	Start at base of range. Salary increase not related to performance. Increase aligns with EA. IFA for specialised skills/experience or special project.	Start at base of range. Increase aligns with EA. Additional increases available. Salary increase related to performance.	Does not necessarily start at base of range. Salary increase related to performance. Additional allowance available for specialised skills/experience.
<b>Salary Maintenance</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Professional Development</b>	\$6,000 p.a allowance. Study leave available.	Available but unspecified amount.	\$5,000 p.a allowance.	Available but unspecified amount.	Available but unspecified amount.	Available but unspecified amount.
<b>Technology</b>	Phone and computer provided. Employee pays for personal usage.	Phone and tablet provided. 'Reasonable personal use' paid by the department.	\$4,000 per two years. Personal use also paid by the department.	Phone and tablet provided. Up to \$50/month personal use paid by the department.	\$3,000 p.a. included in base salary. 'Reasonable personal use' paid by the department.	Phone and ICT equipment provided.

<b>Car / Parking</b>	Band 1: \$26,000 Band 2: \$27,000 Band 3: \$30,000 Car space provided.	Car allowance included in base salary. Car parking provided. B Class perking permit available through salary sacrifice.	Band 1: \$25,000 Band 2: \$27,000 Band 3: \$31,000 Car space provided.	Car allowance included in base salary. Car parking provided. B Class perking permit available.	Band 1: \$31,000 Band 2: \$33,000 Band 3: \$35,000 Car space provided.	Band 1: \$26,000 Band 2: \$28,000 Band 3: \$30,000 Car space provided.
<b>FBT</b>	For car space - included in salary. For salary sacrificing - paid for by the individual.	For car space - paid for by the individual.	For car space - included in salary. For non-portable technology - cost is deducted from allowance.	For car space – paid by department. For salary sacrificing - paid for by the individual.	For car space - included in salary. For salary sacrificing - paid for by the individual.	For car space – paid by department. For salary sacrificing - paid for by the individual.
<b>Salary Sacrificing</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Superannuation</b>	15.4% across schemes.	15.4% across schemes.	Pays contribution associated with each scheme.	Pays contribution associated with each scheme.	Up to 15.4% across schemes.	15.4% across schemes
<b>Other</b>	None.	Relocation costs covered. Flexible work arrangements.	Airport lounge membership.	\$150 p.a. for health and well-being. Relocation costs covered. Airport lounge membership.	None.	Airport lounge membership.

## FINDINGS

### COMMONWEALTH AGENCY A

Below, we present the findings from Agency A.

#### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$168,422 - \$195,734
SES BAND 2	\$217,356 - \$242,392
SES BAND 3	\$320,000

#### *Flexibility within Ranges*

Staff typically begin at the base of the salary range for that classification, both when they have transferred from another agency and when they are promoted within the agency.

An annual salary review is conducted by the Remuneration Sub-committee which determines salary increases for the broad classification range, as well as for individuals. Previously increases have been applied (as long as there are no performance concerns), which align with the increases provided in the Enterprise Agreement for non-SES employees (2% p.a.). However, additional increases may also be applied to individual SES staff in recognition of job complexity, experience and/or achievements in the previous year. There are no specific salary increments within the ranges, and there is no 'guaranteed' or 'set' annual increase for SES staff.

Additional task loadings may be paid for a particular role and term, for example, if an individual has taken on additional duties beyond their substantive classification and expectations. There have been other cases of task loadings paid for taskforce roles or high priority initiatives for the term of these projects. Task loading amounts are not paid as salary for super.

#### *Salary Maintenance*

Substantive SES staff who are transferred at level from another agency or equivalent are typically maintained on their transferring salary, however, this may be negotiated.

#### *Professional Development*

Full time SES staff have access to learning and development opportunities including:

- Up to five hours paid study leave per week during a semester (up to 10 hours for employees who identify as having a disability or as being of Aboriginal and Torres Strait Islander descent) and up to three hours travel time per week during semester
- Up to three hours of paid study leave a week for employees undertaking distance and/or thesis studies
- Reimbursement of up to \$6,000 per semester for fees to a maximum of \$12,000 per year (where study is across more than one semester) for employees undertaking a course of study that is considered to be of benefit to the Department; and/or
- Approval of unpaid leave i.e. miscellaneous leave without pay (MLWOP).

### *Technology Allowance*

SES staff are provided a mobile phone and laptop, these can be used for 'reasonable personal use'. However, the employee identifies personal calls/mobile phone usage each month and reimburses the Department for this cost.

### *Car and/or Parking Allowance*

Car allowances are determined by classification and do not count as salary for super. There is the option to 'cash out' this amount.

<b>Level</b>	<b>Car allowance p.a.</b>
SES BAND 1	\$26,000
SES BAND 2	\$27,000
SES BAND 3	\$30,000

A car space in a secure car park is provided to all SES employees.

### *Fringe Benefits Tax*

SES salaries include the amount equal to the FBT for the car space that is included as part of their package. This 'buffer' increase is maintained with each annual salary increase.

The agency recovers all FBT in relation to salary sacrificing. This is done by the salary sacrificing provider and returned to the agency each year. The only cost to the Department is in relation to administering the salary sacrificing arrangements.

### *Salary Sacrificing*

Salary sacrificing is an option at this agency. Currently, 42 SES staff salary sacrifice through the agency, 12 salary sacrifice to their chosen superannuation fund, and 30 salary package using Smart Salary or Selectus.

### *Superannuation*

Typically SES at this agency receive a 15.4% p.a. superannuation contribution. Employees are with a number of Super schemes including CSS, PSS and PSSap. The contribution remains at 15.4% regardless of the scheme.

### *Other Incentives*

No additional bonuses or incentives are paid.

## COMMONWEALTH AGENCY B

Below, we present the findings from Agency B.

### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$171,557 - \$198,943
SES BAND 2	\$217,202 - \$254,223
SES BAND 3	\$281,479 - \$329,655

### *Flexibility within Ranges*

SES staff typically start at the lowest point of the salary range, however, new staff may be placed at a higher point within the range, or, accommodated outside the range if needed, to facilitate their movement to the department.

Progression within the range is performance-based. All SES are appraised once a year against the APS Integrated Leadership System (ILS) capabilities and are awarded an overall quartile rating via a system of relative assessment. An employee with a performance rating of 1 receives salary at the highest pay point for the classification. A rating of 2 or 3 attracts a mid pay-point increment with a rating of 4 being the lowest pay point of the classification.

Performance bonuses are available for exceptional performance at the discretion of the Secretary.

### *Salary Maintenance*

Salaries are typically matched / maintained if an employee has moved from another APS agency or organisation. New staff may be placed on a different point within the salary range, or, accommodated outside the range to facilitate their move to the department.

### *Professional Development*

The department offers a range of internal development opportunities throughout the year. This may include professional development in the areas of Unconscious Bias, Domestic Violence Awareness and Culturally and Linguistically Diverse employee forums, or more specific topics such as Introduction to Behavioural Insights, Policy Advising and Randomised Control Trials.

In addition, the department may support staff in relation to access to Executive Coaching or further study.

### *Technology Allowance*

The department does not offer a technology allowance, however, they are provided with mobile phones and tablets to be used for work purposes and 'reasonable personal use' is supported.

### *Car and/or Parking Allowance*

The SES base salary recognises that there is no separate allowance for a motor vehicle. However, there is a Motor Vehicle Allowance (MVA) paid when a private vehicle is used for official purposes (currently the rate for this is 66 cents per km).



SES staff have access to car parking at their building and can also apply for a Commonwealth B Class Parking Permit which is available through a salary sacrifice arrangement.

### *Fringe Benefits Tax*

The department provides access to the restricted parking zones around the workplace to SES employees using the Commonwealth B class Parking Permit. It incurs Fringe Benefits Tax ('FBT') on this parking, and recovers these costs from SES staff. Under this arrangement, SES employees can elect to salary sacrifice the FBT cost.

### *Salary Sacrificing*

Salary sacrificing is available for all SES at this department through the DPoA Group and Maxxia.

### *Superannuation*

Typically, SES staff receive a 15.4% p.a. superannuation employer contribution. Employees are with a number of Super schemes including CSS, PSS and PSSap. The contribution remains at 15.4% regardless of the scheme.

### *Other Incentives*

Staff may be eligible for relocation assistance including travel, removal and storage, accommodation, disturbance allowance, lease / rental costs and additional leave for moving, however, this is assessed on a case-by-case basis by the Secretary.

This department also offers flexible work arrangements including where and when staff work, and how their role is structured.

## COMMONWEALTH AGENCY C

Below, we present the findings from Agency C.

### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$168,545 - \$213,282
SES BAND 2	\$218,484 - \$270,504
SES BAND 3	\$306,000 - \$382,574

### *Flexibility within Ranges*

When commencing with the department, SES staff are generally paid at the base of the relevant salary range. However, there is some flexibility and the Secretary may approve salaries outside the ranges - currently five SES employees are paid above their current band range (approx. + 4.5%). Typically, this occurs if the individuals have specialised skills and / or experience, or if they will be managing a specific project. Upon promotion, SES staff are generally paid at the base pay point within their classification level, unless the Secretary considers a different pay point should be offered.

All pay point progression and salary increases are determined by the Secretary. Pay point progression is based on the end of cycle final rating in the performance management scheme, in which all SES staff are required to participate. Progression occurs based on the consideration of factors such as increased responsibilities, exceptional performance and expertise in the role. Progression is not automatic and employees may spend several years on each pay point.

The Secretary may also determine a general percentage salary increase. To be eligible, SES staff must have a performance agreement in place for a minimum of three months and achieve a high performance rating. Currently there is a 2% annual salary increase offered each year for 3 years for SES staff who qualify. This is in line with the non-SES annual increase provided in the department's Enterprise Agreement.

### *Salary Maintenance*

Where a new SES employee's previous salary does not align with a pay point in the applicable classification level, the Secretary may either maintain the former salary, offer the next highest pay point in the range, or negotiate a different rate with the individual. Usual practice at this department is to maintain the individual's salary at their previous level unless a higher salary is agreed.

### *Professional Development*

Each SES staff member is provided up to \$5,000 per annum towards development options of their choice. Costs beyond this can be funded by their individual work areas, subject to approval.

### *Technology Allowance*

Each SES staff member can be reimbursed for up to \$4,000 (less FBT) per two year period for IT devices. It is expected that the devices will be used predominantly for remote access to the department's IT systems and data. The full cost of new portable IT devices used predominantly for business purposes (defined as being "more than 50%" of the time), including a smartphone, are reimbursed. Employees are not required to pay for personal calls/mobile phone usage. The work-related portion of new non-portable IT equipment is reimbursed.

### *Car and/or Parking Allowance*

Car allowances are determined by classification level and are counted as ordinary time earnings for employees who are members of PSSap or another accumulation fund. This allowance is not counted as salary for superannuation purposes for employees who are members of the CSS and PSS defined benefit schemes.

<b>Level</b>	<b>Car allowance p.a.</b>
SES BAND 1	\$25,000
SES BAND 2	\$27,000
SES BAND 3	\$31,000

A car space in a secure car park is provided for all SES employees.

### *Fringe Benefits Tax*

SES salaries include the amount equal to the FBT for the car space that is provided (FBT impact = \$1,560 per space).

Non-portable equipment attracts FBT and this cost is deducted from the \$4,000 technology allowance.

### *Salary Sacrificing*

Salary sacrificing is an option for all staff in the department.

### *Superannuation*

SES staff are with a number of superannuation schemes and are eligible for the corresponding employer contribution. The majority of SES are with the PSS (71%), followed by CSS (16%), both of which are eligible for a 15.4% employer super contribution. The remaining are with PSSap (9%) and other schemes (4%).

### *Other Incentives*

SES staff are not offered specific incentives, however, they are eligible for all the benefits available to non-SES staff (except flextime) including airport lounge membership.

## COMMONWEALTH AGENCY D

Below, we present the findings from Agency D.

### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$177,526 - \$247,784
SES BAND 2	\$248,829 - \$306,332
SES BAND 3	\$307,377 - \$360,698

### *Flexibility within Ranges*

Staff typically begin at the base salary of the range for that classification, however, the Secretary determines the remuneration of an SES employee promoted, moved or engaged by the agency and may decide a higher level of base salary.

There is no annual bonus or salary increase linked to an individual's performance review. However, SES staff receive the same annual salary increase as non-SES staff in line with the Enterprise Agreement (2.5% in 2017 and 1.5% in 2018). In addition, the Secretary may decide to increase an employee's annual salary at any time. At the discretion of the Secretary and in some limited cases, SES may be offered an Individual Flexibility Agreement, if, for example, they have specialised skills or are leading a key, time-limited project or taskforce.

### *Salary Maintenance*

SES staff who join the organisation from another agency may have their salary matched, however, this is negotiable.

### *Professional Development*

The agency offers a range of internal development opportunities throughout the year, and may also support other professional development opportunities such as overseas study and other short-courses.

### *Technology Allowance*

SES staff are provided with a mobile phone and tablet. Employees have an entitlement of up to \$50 per month personal use on their mobile phone, however, usage exceeding this amount must be reimbursed to the agency by the employee.

### *Car and/or Parking Allowance*

There is no specific car allowance since this is rolled into an SES employee's base salary.

SES staff are entitled to free parking facilities for one vehicle at, or in the vicinity of, the workplace (valued at approximately \$3,400), and are entitled to apply for one parking permit to park in ACT Government Commonwealth Class B vehicle parking.

### *Fringe Benefits Tax*

SES do not have to pay FBT associated with car spaces.

The employee must pay FBT and administration expenses incurred in relation to salary sacrificing.

### *Salary Sacrificing*

SES staff may elect to salary sacrifice for non-monetary benefits.

### *Superannuation*

SES staff are with a number of Super schemes including CSS, PSS and PSSap. The agency pays the employer contribution associated with each scheme.

### *Other Incentives*

SES staff are offered reimbursement of up to \$150 per annum for health and wellbeing equipment. All are provided with an airline lounge membership.

## COMMONWEALTH AGENCY E

Below, we present the findings from Agency E.

### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$159,125 - \$255,067
SES BAND 2	\$212,885- \$276,009
SES BAND 3	\$326,282

### *Flexibility within Ranges*

Unless otherwise agreed by the Secretary, new employees to each SES classification will have a commencing salary set at the base of the range for that classification.

The Secretary decides on any annual increases to remuneration taking into account Government policy, the fiscal environment and an employee's individual performance rating as determined during the performance cycle. Annual increases are available in accordance with the Enterprise Agreement and are aligned with the pay increases for non-SES employees (3%, 2%, 1%).

Performance bonuses are not paid, however, the Secretary takes into consideration an employee's specific skills and experience when determining salary rates.

### *Salary Maintenance*

SES staff who are transferred at level from another agency or equivalent are typically maintained on their transferring salary, however, this may be negotiated.

### *Professional Development*

There is no specific professional development allowance at this organisation, however, SES staff have access to internal development opportunities. The department may also support additional external professional development opportunities and these are negotiated on a case-by-case basis.

### *Technology Allowance*

An SES employee's base salary includes an amount of \$3,000 towards the costs of their personal technology purchases (e.g. laptop, computer, printer, iPad). These devices are to be used for 'reasonable personal use' and the individual is not required to reimburse the department.

### *Car and/or Parking Allowance*

Car allowances are determined by classification, this amount may be 'cashed out' by the employee, or they can add it to their super contribution.

Level	Car allowance p.a.
SES BAND 1	\$31,000
SES BAND 2	\$33,000
SES BAND 3	\$35,000

The car allowance above also covers the cost of parking, which is provided by the department.

### *Fringe Benefits Tax*

FBT for car parking is paid by the individual, but this amount is reimbursed by the department as part of their base salary.

FBT is paid by the individual in relation to salary packaging.

### *Salary Sacrificing*

Salary sacrificing is an option at this agency. SES staff may choose to sacrifice up to 100% of their base salary consistent with the department's salary sacrifice provisions

### *Superannuation*

SES at this department are entitled to a maximum superannuation contribution of 15.4% p.a. Employees may be with a private Super fund, but are usually with CSS, PSS and PSSap. Lump sum payments or allowances do not typically count as salary for superannuation purposes.

### *Other Incentives*

No additional incentives are paid.

## COMMONWEALTH AGENCY F

Below, we present the findings from Agency F.

### *Actual Salary Range*

Level	Salary range p.a.
SES BAND 1	\$157,000 - \$203,000
SES BAND 2	\$210,000 - \$259,000
SES BAND 3	\$297,000 - \$352,000

### *Flexibility within Ranges*

The Secretary has the delegation to appoint or promote an SES employee to a salary range at the bottom, middle, top, or outside the salary range.

SES staff who receive a high performance rating during their annual performance review may receive a salary increase at the discretion of the Secretary.

An additional role-specific allowance may be provided to staff who occupy roles that require higher levels of responsibility or specialised skills to attract and retain suitably skilled staff.

### *Salary Maintenance*

The department's typical process is to salary match the total remuneration when bringing new SES into the department.

### *Professional Development*

An allowance for professional development may be negotiated and agreed by the Secretary for career development purposes. This may include an allowance for fees, text books or study leave.

### *Technology Allowance*

There is no technology allowance as part of their remuneration package, however, SES staff are provided with work assets that include devices such as mobile phones and ICT equipment.

### *Car and/or Parking Allowance*

Car allowances are determined by classification and are not included in the superannuation salary.

Level	Car allowance p.a.
SES BAND 1	\$26,000
SES BAND 2	\$28,000
SES BAND 3	\$30,000

A car space is made available to all SES employees.



### *Fringe Benefits Tax*

The department is liable for the FBT on car-parking. SES staff with an executive vehicle scheme (EVS) arrangement are liable for FBT (however, EVS is being phased out).

Salary sacrificing is an individual arrangement with the department's salary packaging provider and is not part of SES remuneration arrangements.

### *Salary Sacrificing*

Any departmental employee has access to salary sacrificing arrangements through the department's provider.

### *Superannuation*

SES at this department receive a 15.4% p.a. employer superannuation contribution. Staff are with a number of Super schemes including CSS, PSS and PSSap. The contribution remains at 15.4% regardless of the scheme.

### *Other Incentives*

SES staff are not offered other incentives, however, they are provided with an airline lounge membership.