



Australian Capital Territory Remuneration Tribunal

Determination 3 of 2023

Head of Service, Directors-General and Executives

made under the

Remuneration Tribunal Act 1995, section 10 (Inquiries about holders of certain positions)

ACCOMPANYING STATEMENT

Background

Under section 10 of the *Remuneration Tribunal Act 1995* (the Act), the Remuneration Tribunal (the Tribunal) is required to inquire into, and determine, the remuneration, allowances and other entitlements for holders of certain public offices. This includes the Head of Service, Directors-General and people engaged as an executive (known collectively as executives) under the *Public Sector Management Act 1994*.

Considerations

In May 2023, the Tribunal commenced its Autumn Sitting to consider the remuneration, allowances and other entitlements of the following office-holders:

- Members of the Legislative Assembly (including the Chief Minister, Deputy Chief Minister, and other Ministers and Members of the Legislative Assembly holding particular offices);
- the Head of Service, Directors-General and ACT Public Service Executives; and
- Full-time Statutory Office-Holders, referred to in Section 10(1) of the *Remuneration Tribunal Act 1995*, including the Clerk of the Legislative Assembly, the Auditor-General and Electoral Commissioner.

The Tribunal advertised its Autumn Sitting on its website and in the Canberra Times on 18 March 2023. The Tribunal also wrote to the relevant office-holders inviting submissions.

At its meeting in May 2023, the Tribunal met with the Chief Minister, ACT Government Treasury officials and officials responsible for the Enterprise Agreement bargaining for ACT Public Sector non-executive employees. The Tribunal also met with a number of full-time public office-holders and departmental officials.

The briefings provided to the Tribunal by ACT Treasury officials outlined the resilient nature of the Territory's economy. ACT Treasury reported that the Territory continues to experience a tight labour market and wages growth, with wage growth particularly notable

in the private sector. ACT Treasury noted that there are more job vacancies than unemployed people in the Territory's labour market.

On 2 June 2023 the Fair Work Commission announced a 5.75% increase in all award rates, with an effective 8.6% increase to the minimum wage.¹

The Australian Bureau of Statistics released the Consumer Price Index for the March Quarter on 26 April 2023, which included an increase of 1.4 per cent for the ACT during the March quarter, with a 6.2 per cent increase over the year (March 2022 to March 2023).² The national trimmed mean inflation was 6.6 per cent over the year.³

While the Tribunal noted that cost of living increases have been high, the Tribunal also noted that CPI growth is slowing and the increase to remuneration provided in this determination reflects this.

In its deliberations, the Tribunal continued to give considerable weight to community standards and expectations with particular reference to wage growth nationally and locally, and the Territory's tight job market. The Tribunal considered the importance of the Territory providing competitive and equitable remuneration, allowances and other entitlements so that it can continue to attract and retain high calibre individuals to deliver quality services to the ACT community. In this context, the Tribunal noted the wage policies and remuneration determinations by its Commonwealth and State/Territory counterparts. The Tribunal also continues to be cognisant of the future compounding effect of not providing increases in remuneration.

In making this determination, the Tribunal took account of the ACT Government's current Enterprise Agreement bargaining context and noted that the current Government pay offer provides emphasis on raising wages for lower paid employees. The Tribunal had regard to the 2022–23 ACT Budget Review, released in February 2023 by the Chief Minister, which predicted growth in 2023–24 of 3.75 per cent in WPI and 3.5 per cent in CPI.⁴

The Tribunal considered the national and the local contexts, in particular the anticipated movements in wages locally and nationally and the advice that the current economic circumstances in the Territory are robust. It therefore decided that an increase to remuneration of 3.5 per cent is a measured response given the current circumstances.

Decision

The Tribunal determined to provide an increase of 3.5 per cent to the base remuneration of office-holders covered by this Determination. The increase will commence on 1 July 2023.

16 June 2023

¹ [Fair Work Commission Decision 2 June 2023](#)

² ACT Treasury, 26 April 2023, CPI – March Quarter 2023
https://www.treasury.act.gov.au/_data/assets/pdf_file/0009/399978/CPI.pdf/_recache

³ Australian Bureau of Statistics Release 26 April 2023 <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

⁴ [ACT Budget 2022-2023 Budget Review, Chapter 2 Economic Outlook](#), page 15.



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1 Commencement

1.1 This instrument is taken to have commenced on 1 July 2023.

2 Remuneration

2.1 The following table sets out the full-time remuneration per year for a person engaged at an executive classification level specified in column 1.

TABLE 2.1

Column 1 Executive classification level	Column 2 Base Remuneration	Column 3 ⁵ Total Remuneration
Level 1.1	\$169,719	\$201,219
Level 1.2	\$184,072	\$215,572
Level 1.3	\$198,415	\$229,915
Level 1.4	\$212,701	\$244,201
Level 2.1	\$227,114	\$259,114
Level 2.2	\$247,122	\$279,122
Level 2.3	\$267,120	\$299,120
Level 2.4	\$287,205	\$319,205
Level 3.1	\$307,299	\$339,799
Level 3.2	\$319,628	\$352,128
Level 3.3	\$332,315	\$364,815
Level 3.4	\$344,810	\$377,310
Level 4.1	\$357,200	\$390,200
Level 4.2	\$367,527	\$400,527

⁵ Includes additional remuneration payable to ACTPS Senior Executives, associated with the previous provision of executive vehicles, as determined by this Tribunal and as provided for in Section 51 of the *Public Sector Management Standards 2016*.

Level 4.3	\$380,783	\$413,783
Level 4.4 (Head of Service)	\$415,049	\$448,049

- 2.2 Where an executive has an employer-provided vehicle, column 2 of Table 2.1 is the total remuneration payable.
- 2.3 If a person engaged at a level listed in column 1 of Table 2.1 is also engaged in or appointed to another office under ACT legislation, the person must only receive remuneration for the office that has the highest remuneration.
- 2.4 The person engaged as the Head of Service is to be paid additional remuneration of \$10,000 per annum above the remuneration of an executive level 4.4 specified in column 3 of Table 2.1. This additional remuneration is included as base remuneration and is recognised as salary for superannuation purposes.

3 Salary packaging

- 3.1 An executive may elect to take the remuneration mentioned in Table 2.1 as:
- salary; or
 - a combination of salary and other benefits (a **salary package**).
- 3.2 Salary packaging must be consistent with:
- taxation laws and guidelines issued by the Australian Taxation Office; and
 - any salary packaging policy and/or procedures issued for the ACT Public Service, with up to 100% of the remuneration able to be taken as benefits and related costs such as fringe benefits tax.
- 3.3 If an executive is working for a Public Benevolent Institution, the benefit items that normally incur fringe benefits tax must not incur more than \$17,000 grossed up taxable value per fringe benefits tax year, without prior approval from:
- for directors-general—the head of service; and
 - for executives—the relevant director-general.
- 3.4 Salary packaging must be administered without additional cost to the employer and any fringe benefits tax associated with the provision of a benefit must be included in the salary package.
- 3.5 Salary for superannuation purposes is not affected by salary packaging.

4 Vehicle

- 4.1 If an executive has an employer-provided vehicle, Part 13 – Transitional Public Sector Management Amendment Standards 2021 (No 1) of the *Public Sector Management Standards 2016* applies.

5 Employer provided benefits

- 5.1 An executive is entitled to either the employer provided benefits mentioned below or the relevant cash payment in lieu of the benefit mentioned below.
- 5.2 An employer-provided benefit, or cash payment in lieu of an employer-provided benefit, is in addition to the remuneration specified in clause 2 of this determination, and does not affect salary for superannuation purposes.

- 5.3 For the avoidance of doubt, the value of an allowance or entitlement set out in this Determination is fixed and cannot be transferred to any other component of the total remuneration package.

Note: travel entitlements are provided under the *Public Sector Management Standards 2006 (repealed)*.

6 Vehicle parking space

- 6.1 An executive is entitled to a parking space in accordance with section 52A of the *Public Sector Management Standards 2016*.

7 Employer's superannuation contribution

- 7.1 An executive is only eligible for the employer's superannuation contribution if their superannuation entitlements are not provided elsewhere.
- 7.2 Superannuation entitlements for executives are consistent with clause D7 in the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2021-2022* or its replacement.
- 7.3 The value of the employer's superannuation contribution must not be paid in cash to an executive.

8 Relocation allowance

- 8.1 In this clause, **ACT** means the Australian Capital Territory and its surrounding district, including Queanbeyan.
- 8.2 Relocation allowance is provided to assist an individual with the costs to relocate from their home location to the ACT in order to take up the engagement as an executive.
- 8.3 The executive may be reimbursed an amount of up to \$55,000, for receipted, reasonable costs of the following:
- a) packing personal effects and furniture belonging to the person and their family;
 - 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;
 - f) temporary accommodation costs at the former location and in the ACT up to a maximum aggregate period of six months, or, in exceptional circumstances, nine months with the approval of the ACT Remuneration Tribunal (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/or the purchase of a residence or lease on a block of land in the ACT;
 - i) subject to the specific approval of the Tribunal, any other reasonable expenses necessarily incurred in relocating to the ACT.
- 8.4 The Tribunal may decide to reimburse a higher amount of allowance if the Tribunal agrees—

- a) there are unusual or exceptional circumstances; and
 - b) the unusual or exceptional circumstances were unforeseen or unable to be dealt with without exceeding \$55,000.
- 8.5 If an executive thinks that unusual and exceptional circumstances exist, they may ask the Tribunal to consider the matter and determine whether the maximum relocation allowance can be exceeded. A request must be in writing and must include—
- a) details of the unusual or exceptional circumstances; and
 - b) details of the relocation; and
 - c) expenses incurred by the executive; and
 - d) the expected total relocation expenses of the executive; and
 - e) the level of assistance the executive considers should be provided; and
 - f) any other relevant information.
- 8.6 If the executive terminates their employment with the Territory as an executive within twelve months of the date of their engagement, the executive may be required by the Head of Service to repay the following amount:
- a) If the executive terminates employment within six months from the date of their engagement—100% of the amount reimbursed under section 8.3 and section 8.4;
 - b) If the executive terminates employment more than six months and less than twelve months from the date of their engagement—50% of the amount reimbursed under section 8.3 and section 8.4.

Note: Relocation allowance does not apply to any expenses incurred at the conclusion of employment with the Territory.

9 Other entitlements

- 9.1 For the avoidance of doubt, under section 113 and 115 of the *Public Sector Management Standards 2016*, the following provisions of the *Public Sector Management Standards 2006 (repealed)* continue to apply to executives:
- a) part 3.6 (recognition of prior service on appointment or engagement);
 - b) part 4.1 (continuity of service);
 - c) part 5.5 (payment in lieu of entitlements on cessation of employment or death);
 - d) part 9.6 (executive employee and statutory office-holder leave and other entitlements).
- 9.2 Leave entitlements, salary sacrifice arrangements and vacation childcare subsidy are provided to executives under Division 5.6 of the *Public Sector Management Standards 2016*, as amended from time to time.

10 Definitions

- 10.1 In this Determination:

Public Benevolent Institution means a charity whose main purpose is to relieve poverty, sickness, suffering or disability.

employer means the Australian Capital Territory and includes any person authorised to act on behalf of the Australian Capital Territory.

executive means the Head of Service, a Director-General or an ACTPS Executive.

fringe benefits tax means the tax assessed under the *Fringe Benefits Tax Assessment Act 1986*.

11 Revocation of previous Determination

11.1 Determination 2 of 2022 is revoked.

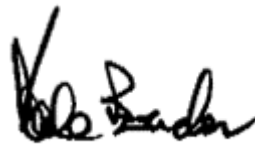
Ms Sandra Lambert AM
Chair

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Mr Michael Manthorpe PSM FIPAA
Member

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Mr Dale Boucher PSM
Member

A handwritten signature in black ink, appearing to read 'Dale Boucher', with a long horizontal flourish extending to the right.

16 June 2023