



AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

Statement Number 172

Chief Executives and Executives

Background

Subsections 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 September 2004 and subsequently issued Determination Number 157, dated 8 September 2004. An amendment to the salary packaging entitlement was made in Determination Number 166, dated 30 November 2004.

This latest review, which sought submissions from interested parties, was advertised in the press on 29 January 2005.

Tribunal Consideration

Remuneration

The Tribunal maintained the view that increases for Chief Executives and Executives should remain broadly consistent with any increases granted or proposed for staff of the ACT Public Service and within the prevailing economic conditions.

The Tribunal noted staff of the ACT Public Service received a 4.0% increase with effect from 1 April 2005. The Tribunal also considered recent wage and labour cost indices published by the Australian Bureau of Statistics.

The Tribunal decided to increase remuneration for Chief Executives and Executives by 4% with effect from 1 July 2005.

Relocation Allowance

Noting a rise in relocation costs, the Tribunal decided to increase the entitlement by 4.0% to \$41,600.

The date of effect of the relocation increase is **1 January 2005**.

Accompanied Travel

The Tribunal noted that the entitlement of \$1,000 per annum for accompanied travel had not been adjusted since first determined in 1996, and decided to increase the entitlement to

\$1,500, and roll it into remuneration to simplify the administration of these payments. The roll-in is made prior to the calculation of the general remuneration increase.

Parking

The Tribunal noted that the entitlement of \$1,000 per annum for parking had not been adjusted since first determined in 1996, and decided to increase the entitlement to \$1,500 per annum.

Motor Vehicle - Cash in lieu

The Tribunal considered whether there should be an increase in the cash in lieu where an Executive elects to take cash instead of the motor vehicle.

The Tribunal determined that the cash benefit of 90% be increased to 100% of the notional value of the motor vehicle.

Fringe Benefits Tax Allowance

The Tribunal decided to increase the fringe benefits allowance from \$5,000 to \$7,000 to more accurately reflect the actual FBT paid.

ACT Remuneration Tribunal
April 2005



AUSTRALIAN CAPITAL TERRITORY
REMUNERATION TRIBUNAL

Determination Number 172

Chief Executives and Executives

Pursuant to sub-section 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.

This Determination shall take effect from 1 July 2005 unless otherwise specified.

Alan Kerr AM
Chair

Roberta McRae OAM
Member

Jill Greenwell
Member

Dated: April 2005



AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

Determination Number 172

Chief Executives and Executive

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 75% of the relevant remuneration shown in Schedule A to be taken as benefits and related costs such as fringe benefits tax. In the case of Chief Executives and Executives working for Public Benevolent Institutions, the benefit items that normally incur fringe benefits tax must not incur more than \$17,000 grossed up taxable value per FBT year, unless prior approval to exceed this amount has been obtained from the Commissioner for Public Administration in respect of Chief Executives and the relevant Chief Executive in respect of Executives.

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 Relocation allowance is an amount provided to **assist** an Executive to relocate from a residence outside the ACT to Canberra. It is not intended that the allowance cover all costs in all circumstances.

4.2 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.

4.3 Total maximum amount under this provision shall not exceed \$40,000, except where an Executive is appointed or commences employment after 1 January 2005 when the maximum amount payable will be \$41,600. The maximum amount must not be exceeded unless the ACT Remuneration Tribunal agrees that there are **unusual or exceptional** circumstances prevailing, which are unforeseen or unable to be dealt with without exceeding the maximum relocation allowance.

4.4 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 and surrounding district;
- (f) temporary accommodation costs at the former location and in the ACT or Queanbeyan and surrounding district 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 surrounding district; and
- (i) subject to the approval of the ACT Remuneration Tribunal, any other reasonable expenses necessarily incurred in relocating to the ACT or Queanbeyan and surrounding district.

4.5 Where the Chief Executive of a department considers that unusual and exceptional circumstances exist in the relocation of an Executive to the ACT, then the Chief Executive of that department may request the ACT Remuneration Tribunal to consider the matter and determine whether the maximum allowance can be exceeded. In such circumstances the ACT Remuneration Tribunal will require the following information:

- details of the **unusual or exceptional** circumstances;
- details of the relocation;
- expenses incurred by the Executive;
- the expected total relocation expenses of the Executive;
- the level of assistance the Chief Executive considers should be provided to the Executive; and
- any other relevant information.

4.6 Where a Chief Executive relocates to the ACT as a result of a fixed-term appointment or engagement and considers that the circumstances support payment of relocation costs above the maximum, then that Chief Executive may directly request the ACT Remuneration Tribunal to consider the matter.

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

5. Revocation of Previous Determinations

5.1 Determination Number 157 made on 8 September 2004 and Determination Number 166 made on 30 November 2004 are revoked.

6. Date of Effect

6.1 The date of effect of this Determination is 1 July 2005 except in respect of the increase in Relocation Allowance where the date of effect is 1 January 2005.

Schedule A

Remuneration Payable to Chief Executives and Executives
(from 1 July 2005)

Column 1 Position Classification	Column 2 Remuneration (per annum)
Executive (Level 3.12)	\$257,406
Executive (Level 3.11)	\$238,660
Executive (Level 3.10)	\$226,204
Executive (Level 3.9)	\$215,076
Executive (Level 3.8)	\$203,951
Executive (Level 3.7)	\$192,883
Executive (Level 2.6)	\$185,931
Executive (Level 2.5)	\$159,566
Executive (Level 2.4)	\$148,439
Executive (Level 1.3)	\$130,418
Executive (Level 1.2)	\$119,292
Executive (Level 1.1)	\$108,165

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	\$1,500
Accompanied travel	Rolled into remuneration
Fringe Benefits Tax allowance	\$7,000

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 \$7,000 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, Performance/Sports or Convertible Models

4.6 An Executive is not entitled to choose a prestige, performance/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.

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 – Motor Vehicle

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

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 100% of the notional value, as set out in clause 4.11.

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

4.17 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.

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

5. 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, as prescribed in section 3 of 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 4.5 of the Determination and 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 4.5 and 4.6 of the Determination and 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*.
