



Australian Capital Territory Remuneration Tribunal

Determination 1 of 2024

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 February 2024, 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 2024 Autumn Sitting was advertised on the Remuneration Tribunal ACT website and in the Canberra Times on 16 December 2023. The Tribunal also wrote to the relevant office-holders inviting submissions.

At its meeting in February 2024, 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 ACT Government briefing summarised the status of the local economy post COVID-19 health and economic crises, and identified that its fiscal position, while recovering, was

significantly affected by the supports required through the initial phases of the pandemic. The ACT Government also highlighted the deliberate policy of prioritising salary increases for the lowest paid public service employees, in response to the current cost of living crisis.

The briefing provided to the Tribunal by ACT Treasury confirmed that the prospects for the ACT economy remain positive, despite revenue and growth easing in 2023-24 in response to cost of living pressures and higher interest rates. ACT Treasury reported that while the economy has slowed, the ACT economy continues to grow at a faster rate than the Australian economy as a whole. Treasury officials confirmed that the Territory labour market experienced protracted tightness, contributing to solid growth in private sector wages. The Tribunal noted the advice that wages growth in the ACT was the second lowest across Australia through the year to December 2023.¹

The Australian Bureau of Statistics released the Consumer Price Index for the December Quarter on 31 January 2024, which included an increase of 0.4 per cent for the ACT during the December quarter, with a 3.7 per cent increase over the year (December 2022 to December 2023).² The national trimmed mean inflation was 4.1 per cent over the year.³

While the Tribunal recognised the rise in cost of living has 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 reference to wage growth nationally and locally, and the Territory's tight job market. The Tribunal considered the importance of the Territory providing competitive 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.

In making this determination, the Tribunal considered the ACT Government's current Enterprise Agreement bargaining context and recognised that the current Government pay offer provides emphasis on raising wages for lower paid employees. The Tribunal had regard to the 2023–24 ACT Budget Review, released in February 2024 by ACT Treasury, which detailed a stabilising economy in 2022–23, including 4 per cent in WPI and 5.7 per cent in CPI.⁴ The Tribunal also had reference to the personal income tax cuts that have been legislated to commence on 1 July 2024⁵ and noted that they will provide additional cost of living relief for wage and salary earners and, notwithstanding the recent amendments to these personal income tax cuts, will still provide material relief to individuals earning over \$180,000.

¹ Australian Bureau of Statistics Release 21 February 2024 [Wage Price Index, Australia, December 2023 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release)

² ACT Treasury, 31 January 2024, CPI – December Quarter 2023 https://www.treasury.act.gov.au/data/assets/pdf_file/0009/399978/CPI.pdf_recache

³ Australian Bureau of Statistics Release 31 January 2024 <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

⁴ [ACT Budget 2023-2024 Budget Review](#), page 9.

⁵ <https://treasury.gov.au/tax-cuts>

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 stable. It therefore decided that an increase to remuneration of 3 per cent is a measured response given the current circumstances.

Decision

The Tribunal determines to provide an increase of 3 per cent to the base remuneration of officeholders covered by this Determination. The increase will commence on 1 July 2024.

24 April 2024



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

1 Commencement

1.1 This instrument is taken to have commenced on 1 July 2024.

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 ⁶ Total Remuneration
Level 1.1	\$174,811	\$206,311
Level 1.2	\$189,594	\$221,094
Level 1.3	\$204,367	\$235,867
Level 1.4	\$219,082	\$250,582
Level 2.1	\$233,927	\$265,927
Level 2.2	\$254,536	\$286,536
Level 2.3	\$275,134	\$307,134
Level 2.4	\$295,821	\$327,821
Level 3.1	\$316,518	\$349,018
Level 3.2	\$329,217	\$361,717
Level 3.3	\$342,284	\$374,784
Level 3.4	\$355,154	\$387,654
Level 4.1	\$367,916	\$400,916
Level 4.2	\$378,553	\$411,553

⁶ 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	\$392,206	\$425,206
Level 4.4 (Head of Service)	\$427,500	\$460,500

- 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*.

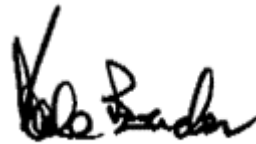
11 Revocation of previous Determination

11.1 Determination 3 of 2023 is revoked.

Ms Sandra Lambert AM
Chair

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Mr Dale Boucher PSM
Member

A handwritten signature in black ink, appearing to read "Dale Boucher".

Mr Michael Manthorpe PSM FIPAA
Member

A handwritten signature in blue ink, appearing to read "Michael Manthorpe".

24 April 2024