



## AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

### Statement Number 103

#### Chief Executives and Executives

##### Background

Paragraphs 10 (1) (j) and (k) of the *Remuneration Tribunal Act 1995* requires 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 June 2001 and subsequently issued Determination Number 84, dated 8 June 2001.

This latest review, which sought submissions from interested parties, was advertised in the press on 9 and 13 March 2002.

##### Tribunal Consideration

The only submission received was from the Chief Minister on behalf of the Government.

##### Remuneration

The Chief Minister's submission requested that the Tribunal not seek to anticipate the outcomes of the enterprise bargaining negotiations currently underway, but at the same time maintain purchasing power.

The Tribunal taking into account the Chief Minister's submission, general economic conditions and the movement generally in Executive remuneration levels, has determined that an increase is justified. The new rates shown in the table in Schedule A of this Determination shall apply with effect from 1 July 2002.

##### Private Telephone Accounts

It has been brought to the Tribunal's attention that there is a debate over the entitlement for reimbursement of private telephone accounts. The intention of this allowance is to reimburse an Executive the cost of one standard telephone rental and 200 untimed local calls per year. The Tribunal has determined that

where an Executive decides to take the cash option that it should be based on the value of this entitlement using the standard Telstra rates at the time of payment.

All other entitlements are as previously determined.



AUSTRALIAN CAPITAL TERRITORY  
REMUNERATION TRIBUNAL

**Determination Number 103**

**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 2002.

Bill Lawrence MBE  
Chair

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May 2002

Ken Searson  
Member

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# AUSTRALIAN CAPITAL TERRITORY REMUNERATION TRIBUNAL

## **Determination Number 103**

### **Chief Executives and Executives**

#### **The Tribunal determines as follows:**

##### **1. Remuneration**

1.1 A Chief Executive or Executive whose position is classified at a level shown in column 1 of Schedule A shall be entitled to the remuneration 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 and policy and procedure guidelines on salary packaging issued by the Commissioner for Public Administration from time to time.

3.3 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.

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

3.5 No more than 50% of the relevant remuneration shown in Schedule A is to be taken as benefits and related costs such as fringe benefits tax.

3.6 The benefits available to be included in a salary package shall be decided by the Commissioner for Public Administration from time to time, or when there are changes to the taxation treatment of the benefits

#### **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 Commissioner for Public Administration.

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;
- (f) temporary accommodation costs at the former location and in the ACT subject to a maximum period in all of six months, or, in exceptional circumstances, nine months with the approval of the Commissioner for Public Administration;
- (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; and
- (i) subject to the approval of the Commissioner for Public Administration, any other reasonable expenses necessarily incurred in relocating to the ACT.

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 Commissioner for Public Administration 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 84 made on 8 June 2001 is revoked.

## Schedule A

### Remuneration Payable to Chief Executives and Executives (from 1 July 2002)

<b>Column 1 Position Classification</b>	<b>Column 2 Remuneration (per annum)</b>
Executive (Level 3.12)	\$219,066
Executive (Level 3.11)	\$202,993
Executive (Level 3.10)	\$192,312
Executive (Level 3.9)	\$182,771
Executive (Level 3.8)	\$173,231
Executive (Level 3.7)	\$163,742
Executive (Level 2.6)	\$157,780
Executive (Level 2.5)	\$135,173
Executive (Level 2.4)	\$125,633
Executive (Level 1.3)	\$110,181
Executive (Level 1.2)	\$100,641
Executive (Level 1.1)	\$91,100

## Schedule B

### Employer Provided Benefits - Chief Executives and Executives

#### Benefits

<b>Benefit</b>	<b>Annual Cash Payment or Cash Payment In Lieu of Benefit</b>
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	To the value of standard Telstra telephone rental and 200 untimed local calls
Fringe Benefits Tax allowance	\$2,000

#### 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 \$2,000 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**

4.1 Where an Executive elects to retain the EPB of the use of a government-leased motor vehicle, the vehicle shall be provided in accordance with guidelines issued from time to time by the Administering Chief Executive.

4.2 Notwithstanding subclause 4.1 vehicles provided under this clause shall 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.

4.3 Where an Executive elects to retain the EPB of a government-leased motor vehicle, the Executive cannot elect to take the annual cash payment in lieu of the parking benefit, and the employer shall provide the Executive with parking for the vehicle.

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

<b>Executive Level</b>	<b>Total Remuneration Package Value</b>
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

4.5 Where an Executives 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:

<b>Executive Level</b>	<b>Cash in Lieu Value</b>
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

#### 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. **Private Telephone Accounts**

6.1 Where an Executive elects to retain the EPB of a personal telephone account, the Executive must provide to the employer a copy of, or copies of the relevant paid account for reimbursement.

6.2 The account may be for a telephone(s) in the home of the Executive, or mobile telephones, and the account may be in the name of the Executive, or the spouse of the Executive, or a member of the Executive's immediate family.

6.3 The EPB shall comprise the telephone rental and up to 200 local calls (or equivalent).

## 7. **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 *Public Sector Management Act 1994*.

"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 under contract.

"Executive" means a Chief Executive or Executive, as the case may be, within the meaning of the Act.

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