



Australian Capital Territory Remuneration Tribunal

Determination 11 of 2021

Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal

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 certain full-time public offices.

Considerations

In September 2020, the Tribunal decided to determine no adjustment to remuneration, allowances or entitlements for the position holders within its jurisdiction.

At its 2021 Autumn Sitting, the Tribunal determined a 1.8% increase to the remuneration of certain position holders within its jurisdiction, including Members of the Legislative Assembly, ACT Public Service Executives and other full-time statutory officer holders.

At the time, the Tribunal gave considerable weight to community standards and expectations, in particular in terms of the continuing uncertainty of circumstances faced in the Territory by the outbreak of the COVID-19 Delta variant across the country.

As part of the 2021 Autumn Sitting deliberations, the Tribunal acknowledged the Wage Price Index (WPI) and Consumer Price Index (CPI) in the 2020-21 ACT Budget released in February 2021 and subsequent data released by the Australian Bureau of Statistics. In addition, the Tribunal considered the statements from the Governor of the Reserve Bank of Australia concerning the importance of increasing wages to stimulate consumption and the outcome of the Annual Wage Review of the Fair Work Commission released in June 2021. The Tribunal was also aware that no adjustments in remuneration may create a lag, impact on maintaining existing relativities with other office holders and should be avoided wherever possible.

In September 2021, the Tribunal commenced its Spring Sitting. The Tribunal advertised its Spring Sitting on its website and in *The Canberra Times* on Saturday, 4 September 2021. The Tribunal also wrote to the relevant office holders requesting submissions.

At its meetings on 11 and 12 November 2021, the Tribunal met with the Chief Minister, ACT Treasury officials, and officials responsible for the Enterprise Agreement bargaining for ACT Public Sector non-executive employees.

In its deliberations, the Tribunal continued to give consideration to community standards and expectations. In particular, the Tribunal noted the economic uncertainty in the Territory, and the nation, caused by the spread of the COVID-19 Delta variant a few months ago.

The Tribunal noted the wage policies and recent remuneration determinations by its Commonwealth and State/Territory counterparts for comparable office holders being considered as part of the Spring Sitting.

The Tribunal noted the pay increases that applied to the ACT Public Sector non-executive workforce during 2020 and 2021 under Enterprise Agreements. The submission received from the Chief Minister advised that the majority of those Enterprise Agreements expired on 31 October 2021 and that, while negotiations had commenced early in 2021, these negotiations had been severely impacted by the second COVID-19 outbreak which placed increased demand on both unions and the public service. The Tribunal noted the Government's intention to finalise and ballot new Enterprise Agreements with no substantial changes with an expiry date of 31 October 2022. These 12-month Enterprise Agreements would provide two pay rises of 1.35 per cent from December 2021 and June 2022, providing a cumulative pay rise of 2.7 per cent.

In addition, the Tribunal considered the pay increases for the Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal in the context of the pay increases that were provided to executives in the ACT Public Service and other statutory office holders from the 2021 Autumn Sitting.

The Tribunal had regard to the 2021–22 ACT Budget, released in August 2021, which forecasted a WPI of 1.75 per cent and CPI of 1.75 per cent.¹

The Australian Bureau of Statistics released the CPI for the 2021 September quarter on 27 October 2021, which included an increase of 0.8 per cent for the ACT during that quarter, with a 3.7 per cent increase over the year (June quarter 2020 to June quarter 2021).² The Tribunal noted that since making its decision as part of the 2021 Autumn Sitting, the national trimmed mean inflation rate increased to 2.1 per cent, from 1.6 per cent in the June 2021 quarter.³

¹ ACT Budget 2021-22, Chapter 1, Overview, Table 1.1.1 Economic Parameters, 2021-22 Budget, baseline forecasts, percentage change, p.12

² Australian Bureau of Statistics, Consumer Price Index (October 2021), <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

³ The trimmed mean is designed to remove large, one-off price impacts. Australian Bureau of Statistics Media Release: CPI rose 0.8% in the September 2021 quarter (27 October 2021), <https://www.abs.gov.au/media-centre/media-releases/cpi-rose-08-september-2021-quarter>

The Australian Bureau of Statistics released the WPI for the 2021 September quarter on 17 November 2021, which included an increase of 1.0 per cent for the ACT during that quarter — the equal highest quarterly growth rate of all jurisdictions. Over the year, to the September 2021 Quarter, the WPI in the ACT increased by 2.1 per cent, which was marginally lower than the national average. There was a 2.0 per cent growth in the ACT public sector WPI over the year which was higher than the national average of 1.7 per cent, for the first time since the September 2013 quarter. The ACT private sector WPI had a growth of 2.4 per cent, equal with the national average.⁴

Submission from the Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal

The Tribunal received a submission from the Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal.

The Tribunal considered advice provided by Acting Chief Justice Elkaim on behalf of the Chief Justice as well as officials from the Justice and Community Safety Directorate.

The Principal Registrar advocated for an increase to the base salary having regard to the work value and equivalent chief executive officers/statutory office holders within the ACT justice system and across jurisdictions, with similar management and legal responsibilities. The Tribunal gave appropriate consideration of these comparable positions.

The Tribunal discussed the work value, workload, complexities and relativities of the position with the Principal Registrar. The Tribunal had regard to the challenging nature of reporting to multiple arms of government and negotiating with many stakeholders on sensitive matters often with competing priorities and expectations. The Tribunal also considered the factors outlined in the submission from the Chief Justice which supported an increase in remuneration.

In addition, the Tribunal had regard to comparable positions in other jurisdictions.

The Principal Registrar provided the Tribunal with a copy of the corporate plan of the ACT Courts and Tribunal.

The Tribunal was of the view that there is a compelling argument to increase the remuneration of the Principal Registrar having regard to all of the circumstances.

Decision

The Tribunal has decided to increase remuneration for the Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal to \$278,160 from 1 November 2021.

The Principal Registrar's submission advised that the base salary currently provided in the determination should be increased by way of consolidating the vehicle allowance and fringe benefits payment (similar to the changed arrangements that are being made for executives across the ACT Public Service). The Tribunal has determined that the relevant clauses in the determination in relation to the allowance in lieu of a vehicle and fringe benefits payment will be updated once the changes have been made to executives and subsequent amendments to the Public Sector Management Standards.

⁴ Australian Bureau of Statistics, Wage Price Index (November 2021), <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release>; <https://www.abs.gov.au/media-centre/media-releases/wage-price-index-reverts-pre-pandemic-pattern> and https://www.treasury.act.gov.au/data/assets/pdf_file/0006/399993/WPI.pdf/ recache

The retrospective application of this Determination does not affect the rights of a person (other than the ACT Government) in a manner prejudicial to that person, nor does it impose any liability on such person.

December 2021



Australian Capital Territory Remuneration Tribunal

Determination 11 of 2021

Principal Registrar and Chief Executive Officer, ACT Courts and Tribunal

made under the

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

1 Commencement

- 1.1 The instrument is taken to have commenced on 1 November 2021.

2 Remuneration

- 2.1 The base salary for the Principal Registrar and Chief Executive Officer (CEO), ACT Courts and Tribunal is \$278,160 per annum.
- 2.2 A person appointed to this office must not receive the remuneration mentioned above if the person is paid a higher remuneration for that office from another source.
- 2.3 If a person appointed to an office listed above is also appointed to another office, which is not a second job under the *Public Sector Management Act 1994*, the person must only receive remuneration for the office that has the highest remuneration.

3 Salary packaging

- 3.1 A person appointed to an office mentioned in clause 2.1 of this Determination may elect to take the remuneration outlined in clause 2.1, as:
- a) salary; or
 - b) a combination of salary and other benefits (a **salary package**).
- 3.2 Salary packaging must be consistent with:
- a) taxation laws and guidelines issued by the Australian Taxation Office; and
 - b) 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 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.

3.4 Salary for superannuation purposes is not affected by salary packaging.

4 Employer provided benefits

4.1 A person, appointed to an office mentioned in clause 2.1 of this Determination, is entitled to either the employer provided benefits mentioned below or the relevant cash payment in lieu of the benefit mentioned below.

4.2 An employer-provided benefit, or cash payment in lieu of an employer-provided benefit, is in addition to the remuneration specified in clause 2.1 of this determination, and does not affect salary for superannuation purposes.

4.3 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.

5 Vehicle

5.1 A person appointed to an office mentioned in clause 2.1 of this Determination, is entitled to an executive vehicle and associated arrangements, including a parking space. This entitlement is to be determined according to the same entitlements as if the person were a Senior Executive Service (SES) member at the same salary band under the *Public Sector Management Standards 2016* and the *Guidelines for the Management and Use of Executive Vehicles*.

6 Employer's superannuation contribution

6.1 A person, appointed to an office mentioned in clause 2.1 of this Determination, is only eligible for the employer's superannuation contribution if their superannuation entitlements are not provided elsewhere.

6.2 For a person, appointed to an office mentioned in clause 2.1 of this Determination, who is a member of the Commonwealth Superannuation Scheme (CSS) or Public Sector Superannuation (PSS) Scheme:

- a) the person's annual rate of remuneration for the purposes of the scheme is the base remuneration as provided in clause 2.1 of this Determination; and
- b) the value attributed to the employer's superannuation contribution is taken to be a notional 16% of the person's base remuneration.

6.3 For a person, appointed to an office mentioned in clause 2.1 of this Determination, who is not currently a member of the CSS or PSS but was a member of the PSS Accumulation Plan (PSSap) until it closed to the Territory on 30 June 2006, and has maintained continuous employment with the Territory:

- a) the value of the employer's superannuation contribution is a notional 16% of the base remuneration as provided in clause 2.1 of this Determination; and
- b) the employer will contribute that amount to an agreed superannuation fund nominated by the person appointed to an office mentioned in clause 2.1 of this Determination.

- 6.4 For a person, appointed to an office mentioned in clause 2.1 of this Determination, who is a member of any other superannuation fund, the employer's superannuation contribution is to be made at a rate equivalent to the Employer Superannuation Guarantee Charge Percentage as provided by the *Superannuation Guarantee (Administration) Act 1992*.

Note: at the commencement of this Determination, the Employer Superannuation Guarantee Charge Percentage is 10% and increases to 10.5% on 1 July 2022.

- 6.5 A person, appointed to an office mentioned in clause 2.1 of this Determination, is entitled to the enhanced employer contribution superannuation arrangements that apply to an SES member in the ACT public sector under associated arrangements.
- 6.6 The employer provides an additional employer superannuation contribution. The additional employer superannuation contribution is the same rate provided under clause D7 in one of the following:
- (a) the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2018-2021* while it is in force; or
 - (b) the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2021-2022* on its commencement.
- 6.7 A person, appointed to an office mentioned in clause 2.1 of this Determination, is entitled to the same superannuation entitlements as an SES member under the *Public Sector Management Standards*.
- 6.8 In respect of a person, appointed to an office mentioned in clause 2.1 of this Determination, who is not a CSS or PSS member or appointed to or engaged by the Territory before 30 June 2006 and has maintained continuous employment with the Territory:
- for each pay period the person contributes 3% or more of their base remuneration to their nominated superannuation fund in the form of employee contributions (either in pre or post tax dollars), the Territory will contribute an additional 1% employer superannuation contribution pro-rata per pay above the entitlement in clause 6.6, based on the person's gross fortnightly OTE (or other methods where prescribed by the nominated superannuation fund rules).
- 6.9 If the legislated minimum Superannuation Guarantee rate mentioned in clause 6.4 of this Determination is increased, it will be absorbed by the additional employer contribution provided in clause 6.6, but will not affect the entitlement in clause 6.8.
- 6.10 The value of the employer's superannuation contribution must not be paid in cash to a person appointed to an office mentioned in clause 2.1 of this Determination.

7 Fringe benefit tax – vehicle

- 7.1 The employer incurs fringe benefits tax liabilities for vehicles provided to their employees. Fringe benefits tax is determined and calculated under the *Fringe Benefits Tax Assessment Act 1986*. For the purposes of this section, the fringe benefits tax year is 1 April of a year to 31 March of the following year.
- 7.2 During the fringe benefits tax year, where the person appointed to the office mentioned in clause 2.1 elects to receive an employer-provided vehicle instead of a

payment, if the employer's liability in relation to the officer holder's vehicle provided by the employer for the fringe benefits tax year is less than \$7,500, the difference is payable to the Principal Registrar as an allowance at the end of the fringe benefits tax year.

- 7.3 To avoid doubt, if the assessed liability for fringe benefits tax exceeds the \$7,500 threshold, the officer holder will not be required to pay any component in excess of the \$7,500.
- 7.4 During the fringe benefits tax year, where the office holder elects to receive a payment instead of an employer provided vehicle, the amount of \$7,500 per annum is paid as an allowance to the office holder on a fortnightly basis.
- 7.5 The fringe benefits tax allowance of \$7,500 under clause 7.4 is reduced proportionally where the office holder is engaged for less than a full fringe benefits tax year.

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 the Principal Registrar and CEO.
- 8.3 The person appointed to the office mentioned in clause 2.1 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 specific 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 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 the maximum relocation allowance.

- 8.5 If a person, appointed to an office mentioned in clause 2.1 of this Determination, 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) their expenses incurred; and
 - d) their expected total relocation expenses; and
 - e) the level of assistance the person considers should be provided; and
 - f) any other relevant information.
- 8.6 If the person appointed to an office mentioned in clause 2.1 terminates their employment with the Territory within twelve months of the date of their appointment, the person may be required to repay the following amount:
- a) If the person terminated employment within six months from the date of their appointment – 100% of the amount reimbursed under clause 8.3;
 - b) If the person terminates employment more than six months and less than twelve months from the date of their appointment – 50% of the amount reimbursed under clause 8.3.

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

9 Other entitlements

- 9.1 For the avoidance of doubt, under section 115 of the *Public Sector Management Standards 2016*, the following provisions of the *Public Sector Management Standards 2006 (repealed)* continue to apply in relation to a person appointed to an office mentioned in clause 2.1 of this Determination:
- 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 9.4 (statutory office-holder financial entitlements); and
 - e) part 9.6 (executive employee and statutory office-holder leave and other entitlements).

10 Travelling arrangements

- 10.1 In this clause:

home base means the town or city in which the traveller's principal place of residence is located.

international travel means official travel to a destination outside Australia.

reasonable expenses means legitimate work-related expenses incurred while conducting official business efficiently and effectively.

traveller means a person appointed to an office mentioned in clause 2.1 of this Determination, who is travelling away from their home base for official purposes.

- 10.2 If a traveller is required to travel for official purposes, the employer must pay the cost of the transport and accommodation expenses outlined below. The reasonable amounts set out in the relevant Australian Taxation Office Determination⁵ relating to meal and incidental expenses will be paid to the traveller as a reimbursement. These expenses are not to be paid to the traveller where their home base is within the ACT or surrounding districts and the travel for official purposes is within the ACT or surrounding districts.
- 10.3 All reasonable expenses incurred by a traveller can be reimbursed. It is the intention of these travel arrangements that no traveller who travels for official purposes should be out of pocket, however they must be reasonable expenses.

11 Travel

- 11.1 All official travel is to be appropriately authorised prior to travel and must not be authorised by the traveller under any circumstances. This includes all official travel paid for privately or by the Territory.
- 11.2 A traveller may travel by one or more of the following:
- a) commercially provided road or rail transport;
 - b) commercially provided flights;
 - c) private motor vehicle.
- 11.3 Commercially provided travel should be selected on the basis of—
- a) what is most convenient to the person; and
 - b) seeking the most reasonable costs.
- 11.4 If a traveller travels on commercially provided road or rail transport the employer will pay the fares for that travel.
- 11.5 A traveller must use the Territory's travel manager, which has been procured through a competitive process, as a preferred provider of travel and related services. The travel manager has been instructed to book all travel at the lowest logical fare.
- 11.6 If a traveller travels on commercially provided flights, the employer will pay the fares to the following standard:
- a) for domestic flights less than 4 hours—economy class;
 - b) for domestic flights of 4 hours or more—business class;
 - c) for international flights—business class.

⁵ Australian Taxation Office – Taxation Determination 2021/6 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2021-22 income year?

- 11.7 If a traveller has approval to travel by private motor vehicle, the employer will pay the owner of the vehicle an allowance calculated in accordance with the Motor Vehicle Allowance set out in one of the following:
- a) the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2018-2021* while it is in force; or
 - b) the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2021-2022* on its commencement.

12 Accommodation

- 12.1 It is standard practice that where an executive traveller must stay overnight while on official travel, the employer will pay for commercial accommodation to the following standard:
- a) for domestic accommodation—4.5 stars;
 - b) for international accommodation—4.5 stars.
- 12.2 The employer will pay for a traveller to stay in commercial accommodation above the 4.5 star standard and the amounts set out in the relevant Australian Taxation Office Determinations, if—
- a) the cost is reasonable; and
 - b) to do so would better enable business objectives to be met.

Examples where business objectives may be better met:

- to allow a traveller to stay in the commercial accommodation where a meeting, conference or seminar they are attending is being held;
- to allow a traveller who is traveling with the Minister to stay in the same commercial accommodation as that Minister if they are entitled to a higher standard of accommodation.

13 Meals

- 13.1 If a traveller is absent from their home base for more than ten hours while on official travel, the employer will reimburse actual, reasonable expenses for meals up to the amounts set out in the relevant Australian Taxation Office Determinations.

14 Incidental expenses

- 14.1 The employer will reimburse all reasonable and legitimate expenses directly related to official travel up to the amounts set out in the relevant Australian Taxation Office Determinations, including—
- a) taxi, ridesharing service (such as uber) or bus fares to or from an airport; and
 - b) taxi, ridesharing service (such as uber) and public transport costs at a temporary location; and
 - c) airport taxes or charges.

15 Frequent Flyer Program

- 15.1 Frequent flyer points cannot be accrued or used by a traveller as a result of travel and accommodation paid for by the employer for official travel.

16 Incidental travel in conjunction with official travel

- 16.1 Authorised travellers wishing to take personal leave during, or at the conclusion of official travel should obtain the appropriate prior approval consistent with the agreed travel arrangements.
- 16.2 Travellers may combine incidental personal travel with official travel, provided there is no additional cost to the Territory. Expenses incurred during leave are at the traveller's own cost. If the period of such incidental travel is greater than 40% of the period of official travel, a pro rata contribution must be made to the overall cost of the travel.
- 16.3 If insurance has been obtained for official travel at official expense, such insurance must not cover the traveller for the duration of the personal leave.

17 Travel insurance

- 17.1 Travel insurance decisions should be based on risk management principles and include factors such as the nature and destination of the trip.
- 17.2 International travel will normally require travel insurance.
- 17.3 If necessary, the cost of travel insurance will be met as a reasonable work related expense by the Territory.
- 17.4 All legitimate and reasonable work related claims will be covered by the Territory.

18 Definitions

- 18.1 In this Determination:

agreed superannuation fund means a fund complying with the requirements of:

- the *Income Tax Assessment Act 1936* (Cth); and
- the *Superannuation Industry (Supervision) Act 1993* (Cth).

CSS means the Commonwealth Superannuation Scheme.

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

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

home base means the town or city in which the traveller's principal place of residence is located.

PSS means the Public Sector Superannuation Scheme.

Senior Executive Service (SES) Member includes a member of the service in the senior executive service under the *Public Sector Management Act 1994* and *Public Sector Management Standards*. A person, appointed to an office in clause 2.1 of this Determination, has a number of the same entitlements as an SES Member.

traveller means a person, mentioned in clause 2.1 of this Determination, who is travelling away from their home base for official purposes.

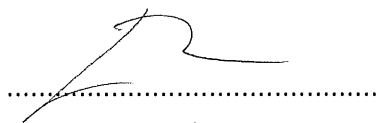
19 Revocation of previous determination

- 19.1 Determination 11 of 2020 is revoked.

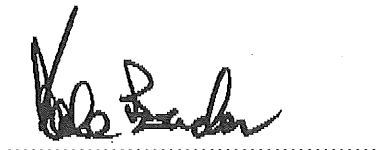
Ms Sandra Lambert AM
Chair

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Dr James Popple
Member

A handwritten signature in cursive script, appearing to read "James Popple", positioned above a horizontal dotted line.

Mr Dale Boucher PSM
Member

A handwritten signature in cursive script, reading "Dale Boucher", positioned above a horizontal dotted line.

December 2021