



WESTERN  
AUSTRALIAN  
GOVERNMENT  
**Gazette**

ISSN 1448-949X

PRINT POST APPROVED PP665002/00041



PERTH, TUESDAY, 17 JULY 2012 No. 128

SPECIAL

PUBLISHED BY AUTHORITY JOHN A. STRIJK, GOVERNMENT PRINTER AT 12.15 PM

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SALARIES AND ALLOWANCES ACT 1975

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**DETERMINATION OF THE  
SALARIES AND ALLOWANCES  
TRIBUNAL**

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**LOCAL GOVERNMENT CHIEF  
EXECUTIVE OFFICES**



**SALARIES AND ALLOWANCES ACT 1975****SALARIES AND ALLOWANCES TRIBUNAL DETERMINATION****LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS**

1. In accordance with Section 7A of the *Salaries and Allowances Act 1975* ("the Act"), the Salaries and Allowances Tribunal is required to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments."

**BACKGROUND**

2. Since 2006, the Tribunal has been required to issue a Recommendation Report on the remuneration of Local Government Chief Executive Officers (CEOs). The last Report was issued on 24 June 2011.

3. The recommendations were made for the purpose specified at the time in section 5.39(7) of the *Local Government Act 1995*, that is, "to be taken into account by the Local Government before entering into, or renewing, a contract of employment with a CEO".

4. The *Local Government Amendment Bill 2011* (the Bill) was introduced into Parliament on 19 October 2011. The Bill changed the requirement of the Tribunal under Section 7A of the Salaries and Allowances Act 1975 from recommending to determining the remuneration of Local Government CEOs. The Bill also changed the requirements of Local Governments under Section 5.39(7) and (8) of the *Local Government Act 1995* (LG Act), that is (7) "A CEO is to be paid or provided with such remuneration as is determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975* section 7A" and (8) "A local government is to ensure that subsection (7) is complied with in entering into, or renewing, a contract of employment with a CEO". These amendments will come into effect from 1 July 2012, the same date as this determination will become effective.

5. Another aspect of the Bill was the introduction of saving provisions for CEOs already under contract or for positions that had been advertised prior to 1 July 2012. Under section 43(1) of the LG Act a Preserved CEO is defined as "a person who is employed, other than in an acting or temporary capacity, as the CEO of the local government on 19 October 2011".

6. Advice received from the State Solicitor indicated that under section 43(2)(a) of the LG Act the Tribunal's determination will not apply to any CEO who entered into or renewed a contract of employment prior to 1 July 2012 or a position that was advertised prior to 1 July 2012 for the duration of the contract. For these CEOs, the Tribunal's determination will apply at the expiration of their respective contracts of employment.

7. The advice also indicated that under section 43(2)(b) of the LG Act this determination will not apply to a Preserved CEO whose remuneration on 19 October 2011 under a contract of employment was more than the amount recommended by the Tribunal at that time and while ever the CEO continues to be employed as the CEO of that Local Government.

8. Section 43(4) of the LG Act states that for a Local Government with a Preserved CEO under section 43(2)(b), when renewing a contract of employment it must take into account any determination by the Tribunal of a Local Government that is of a comparable size and location. Notwithstanding this, the Tribunal will be making a determination on every Local Government and considers it appropriate for Local Governments to consider the determination of their own Local Government in renewing the contract of a Preserved Chief Executive Officer.

**CURRENT INQUIRY**

9. In discharging the responsibilities given to it by the Parliament, the Tribunal has in the context of its current inquiry adopted the following approach—

- advertised for public submissions;
- written to Local Governments and Regional Local Governments inviting submissions about their CEO positions;
- interviewed a number of CEOs, Mayors, Presidents and representatives of the Western Australian Local Government Association and Local Government Managers Australia;
- surveyed Local Government CEOs in respect of current remuneration packages;
- collected a wide range of data on Local Governments;
- considered relevant labour market and economic data; and
- sought advice from its Statutory Adviser.

10. Tribunal member Mr Brian Moore declared an interest in the remuneration of the CEO of the Shire of Bridgetown-Greenbushes and abstained from any deliberations in relation to the remuneration band allocation for that Local Government.

**Public Submissions**

11. An advertisement calling for public submissions to the Tribunal's inquiry was placed in *The West Australian* newspaper on Wednesday, 29 February 2012 with a closing date of Friday, 26 April 2012. The advertisement was also placed on the Tribunal's website at [www.sat.wa.gov.au/LatestNews](http://www.sat.wa.gov.au/LatestNews)

12. No submissions from the general public were received by the Tribunal.

**Invitations to Local Governments and Regional Local Governments**

13. On Monday, 2 April 2012, the Tribunal wrote by email to all Mayors, Presidents and Chairpersons of Local Governments and Regional Local Governments inviting submissions related to particular issues and characteristics relevant to the remuneration paid to their CEO. The closing date for submissions was Friday, 4 May 2012.

14. In making submissions, Local Governments were provided with a template submission form to ensure that the Tribunal was able to capture data on a broad range of significant issues including—

- Major growth and development;
- Significant social and economic issues;
- Significant demand to service and support non-resident needs;
- High impact environmental management issues and responsibilities;
- Greater diversity of services delivered than normally provided by similar sized local governments;
- Recruitment issues;
- Remuneration issues; and
- Other distinguishing features.

15. A total of 19 responses were received by the Tribunal. Three responses indicated that those Local Governments were happy with the current level of remuneration.

16. Three submissions from the CEO of the City of Perth, the Kimberley Zone Local Governments and the Local Government Managers Association provided information and comments on the roles and responsibilities of a CEO, regional issues and comments on the Tribunal's inquiry.

17. The remaining 13 responses provided submissions requesting an increase in classification. Submissions were received from the—

- Shire of Augusta-Margaret River;
- City of Belmont;
- City of Busselton;
- Shire of Cue;
- Shire of Dandaragan;
- Shire of Dumbleyung
- Shire of Halls Creek;
- City of Joondalup;
- Shire of Meekatharra;
- Town of Narrogin;
- Shire of Roebourne;
- Eastern Metropolitan Regional Council; and
- Western Metropolitan Regional Council.

**Regional Meetings**

18. The Tribunal conducted a number of meetings and teleconferences with Local Governments to discuss the issues relevant to CEO remuneration in general and the issues specific to particular Local Governments or regions.

19. The Tribunal held meetings with Local Government representatives at the following locations—

- Wiluna 23 May 2012
- Leonora 24 May 2012
- Kalgoorlie 25 May 2012
- Koorda 30 May 2012
- Halls Creek 5 June 2012
- Nannup 5 June 2012
- Perth 7 June 2012
- Corrigin 29 June 2012.

20. The Tribunal also conducted teleconferences with Local Governments from the Pilbara and Gascoyne Regions.

21. In all, the Tribunal was able to speak directly with representatives from 56 Local Governments.

22. The Tribunal will conduct more regional meetings pursuant to its annual determinations.

**Remuneration Survey**

23. To assist the Tribunal, the Department of Local Government (DLG) conducted a survey of current remuneration or 'Total Reward Packages' provided to all Local Government and Regional Local Government CEOs on behalf of the Tribunal.

**Local Government Population, Expenditure and Staff Levels**

24. The Tribunal requested and received the following data from DLG—

- Population as at 31 March 2012 (ABS Catalogue 3218.0);
- Total Full Time Equivalent (FTE) Staff numbers 2010/11;

- Operating expenditure 2010/11;
- 3 year averaged capital expenditure (2008/09 to 2010/11); and
- Annual average population growth 2002 to 2011.

#### **Advice from Statutory Advisor**

25. The Tribunal sought advice from its statutory advisor, Ms Jennifer Mathews, Director General, DLG, who has been appointed by the Premier in accordance with section 10(4)(c) of the Act to assist the Tribunal in its inquiries as they relate to the remuneration of Local Government CEOs. Ms Mathews provided advice on a range of matters including current issues affecting Local Government, changes to Local Government areas or positions and progress on amalgamations in the context of the Government's reform process.

26. The Tribunal was informed of initiatives and developments taking place in Local Governments that Local Governments and CEOs must face.

27. The DLG has undertaken a sector-wide capacity building program, designed to assist Local Governments to plan strategically for their future and to adopt modern business practices. An *Integrated Planning and Reporting Framework* has been developed, supported by guidelines, training programs, advice and assistance, as well as new regulations under the LG Act, requiring all Local Governments to develop Strategic Community Plans and Corporate Business Plans. Further resources have been provided to support the development of Asset Management Plans and Long Term Financial Plans.

28. Consistent with the objectives of Local Government reform, a major focus of the capacity building program has been on regional collaboration, encouraging Local Governments to work with each other, and with other stakeholders including State Government agencies, to plan for the future of their communities and regions.

29. The initiatives related to capacity building were considered by the Tribunal to be indicative of the increased complexity of work and increase levels of accountability for Local Governments.

#### **Labour Market and Economic Data**

30. Relevant labour market and economic data was sought from a variety of sources. These included the Wage Price Index, Average Weekly Earnings, the Consumer Price Index and Total Employment Growth. Economic forecasts at a State level were also considered together with recent pay increases awarded under industrial agreements in the public and private sectors.

#### **CONSIDERATIONS**

31. In conducting its inquiry, the Tribunal has aimed to deliver a framework in which Local Governments have greater flexibility to attract and retain quality CEOs, while improving the transparency and accountability of CEO contract arrangements. To achieve this, the Tribunal adopted a set of objectives to guide its deliberations. These included—

- Bringing discipline to the remuneration of CEOs by putting in place a framework which identifies specific components of remuneration;
- Providing scope for Local Governments to recognise CEO development and performance within parameters;
- Recognising the continuum of complexity in Local Government administration; and
- Through legislative provision of either the determination of a band or a designated salary point, the Tribunal is able to monitor and maintain the integrity of levels of remuneration in Local Government.

32. In the context of its current inquiry, the Tribunal considered all CEO positions in Local Governments and Regional Local Governments, all submissions, work value assessments on the roles of Local Governments CEOs, advice from the Tribunal's Statutory Adviser, data on the labour market and the economy together with data on pay increases awarded under industrial agreements registered in Western Australia.

#### **Band Allocation Model and Work Value Assessments**

33. In its Recommendation Reports from 2006 to 2011 inclusive, the Tribunal adopted a nine remuneration band approach. Local Governments were classified based upon a wide range of factors including—

- Major growth and development;
- Significant social/economic issues;
- Significant demand to service and support non-resident needs;
- Greater diversity of services delivered than normally provided by similar sized Local Governments;
- Total expenditure;
- Population; and
- FTEs.

34. The Tribunal renewed the data of the banding model and also sought data in relation to its market position to assist in refining its remuneration bands.

35. The Tribunal contracted Mercer (Australia) Pty Ltd (Mercer) to conduct 26 work value assessments of Local Government CEOs. The selection of Local Governments was based upon providing the Tribunal with a range of Local Governments across Western Australia and across the nine band remuneration structure, subject to the availability of the CEO. The Local Governments selected were—

- City of Albany;
- City of Bunbury;
- Shire of Carnarvon;
- Shire of Chittering;
- City of Claremont;
- Shire of Collie;
- Shire of Dundas;
- Shire of East Pilbara;
- Shire of Gingin;
- Shire of Halls Creek;
- Shire of Harvey;
- City of Joondalup;
- Shire of Leonora;
- City of Kwinana;
- Shire of Meekatharra;
- City of Mandurah;
- Shire of Ngaanyatjaraku;
- Shire of Northam;
- Shire of Northampton;
- Shire of Ravensthorpe;
- Shire of Sandstone;
- City of Stirling;
- City of Swan;
- Shire of Wiluna;
- Shire of Yalgoo; and
- Shire of York.

36. In conducting interviews with CEOs and Mayors or Presidents, Mercer identified a number of factors which helped inform their assessments. These included, but were not limited to—

- All Local Governments, irrespective of size, are subject to the same legislated compliance requirements;
- Despite the difference in size and scope between Local Governments, there is a great deal of commonality in the issues/challenges faced by CEOs including community expectations, social issues and major developments among others;
- An enhanced level of strategic planning and community involvement due to new government initiatives such as the *Integrated Planning and Reporting Framework* initiative, major resources or business developments and significant population growth present particular challenges to Local Governments;
- This enhanced level of strategic planning has led Local Governments to require a more proactive and influential role for their CEO;
- Royalties for Regions, while delivering much needed assistance to the regions, has raised expectations and demands on Local Governments; and
- Staff recruitment/retention/turnover and the consequences for organisational capability, particularly for smaller Local Governments, is a constant and pressing issue.

37. The Tribunal will maintain an ongoing work value assessment program in discharging its statutory responsibilities.

#### **Remuneration Bands**

38. Following research undertaken by the Tribunal and advice received from Mercer and Local Governments, the Tribunal reached the conclusion that while the nine band structure was sufficient under the Recommendation Report model, it would not provide enough flexibility for Local Governments when they are required to comply with the Tribunal's determination as at 1 July 2012.

39. The Tribunal has therefore decided to restructure the banding model into a 4 band model as set out in Table 1 below. This structure provides a more even spread of work value and a more appropriate remuneration range.

**TABLE 1**  
**4 Band Structure**

| Old 9 Band Structure | New 4 Band Structure |
|----------------------|----------------------|
| Band 9               | Band 1               |
| Band 8               |                      |
| Band 7               | Band 2               |
| Band 6               |                      |
| Band 5               | Band 3               |
| Band 4               |                      |
| Band 3               |                      |
| Band 2               | Band 4               |
| Band 1               |                      |

40. It is important to note that no Local Government has received a reduction in their band classification in moving towards the new structure. For this inquiry, Local Governments were assessed based upon their submissions, Mercer work value assessments and the band allocation model and then transferred, at grade, into the new structure. Fourteen Local Governments received an increase in classification before being transferred into the new structure.

41. The band classification is intended to rank the work value of the position and the duties undertaken by the CEO, regardless of the location of the Local Governments. Issues associated with the geographical location of Local Governments, while significant, were left to the discretion of the Local Governments under Part 6 of the previous Tribunal Recommendation Reports and are dealt with in Schedules 2, 3 and 4 under this determination.

42. The new bands encompass a wide work value range and include a number of Local Governments at each end of the spectrum, it would not be expected that every Local Government within the band should be remunerating their CEO at the top of the Total Reward Package range. If the Tribunal finds most Local Governments are remunerating the CEO towards the top of the Total Reward Package range, then the Tribunal will consider exercising its rights under section 7A of the Act to determine a specific salary point for each Local Government.

43. In establishing this restructure, the Tribunal has also taken the opportunity to adjust the Total Reward Package ranges in line with the percentile ranking commensurate with the standard adopted by the Tribunal in the past. This maintains the band structure at around the 25th percentile of Mercer's General Market data in Australia.

#### **Retooled Band Allocation Model**

44. The Tribunal has retooled the Band Allocation Model in adopting the new classification framework. The new model allows for a continuum of responsibility and takes into account a broader range of factors including—

- Major growth and development;
- Strategic planning, including risk management;
- Infrastructure development and asset management;
- Significant social/economic/environmental issues;
- Significant demand to service and support non-resident needs;
- Diversity of services;
- Community involvement and advocacy;
- State or national negotiations;
- Operational and managerial requirements;
- Capacity to pay;
- Total expenditure;
- Population; and
- FTEs.

45. Local Government CEOs within Band 4 and the lower end of Band 3 would typically be undertaking a role with the following characteristics—

- Operationally focused;
- Involved in issue management and problem solving;
- Involved in hands-on management requiring a broad generalist knowledge of Local Government services; and
- Have limited professional and senior staff capacity to support the Chief Executive Officer.

46. Local Government CEOs within the upper end of Band 3 to the upper end of Band 2 would typically be undertaking a role with the following characteristics—

- Focused on strategic management of the whole organisation with direct reports responsible for both operational and strategic management of their area's responsibility;
- Operational involvement is restricted to critical and high risk operational issues;
- Provide an integration of service delivery with necessity for cross-organisation coordination;

- Implement sophisticated integrated strategic management frameworks (planning, organisational performance, policy and consistency frameworks, etc.) that practically direct and guide Local Government priorities, focus and management; and
- Structured cyclical processes are in place for community and stakeholder consultation and engagement.

47. Local Government CEOs within Band 1 would typically be undertaking a role with the following characteristics—

- A strategic leader and manager of a highly complex and challenging business;
- Implement sophisticated, best practice strategic management systems and processes for the Local Government to operate effectively;
- Structured, strategic community and stakeholder consultation and engagement processes are established;
- Technical and strategic leadership of activities and issues extend beyond third tier management level;
- The CEO and Local Government has a significant local, regional and state-wide profile; and
- The CEO and Local Government would have a major strategic input and contribution to all significant community and stakeholder issues and challenges.

### Submissions

48. Thirteen of the 19 responses received by the Tribunal sought an increase in their CEO's band allocation. Many of these submissions highlighted factors related to the Regional/Isolation Allowance as reasons for an increase in the band allocation. These are significant issues and have been dealt with further in this document under the Regional/Isolation section of this determination.

49. The Tribunal took into account all matters raised in the submissions in making this determination.

### Regional and Metropolitan Meetings

50. The Tribunal received valuable insight into the wide variety of roles and responsibilities of a Local Government CEO in the various regions throughout the state. The Tribunal gained an appreciation of the unique challenges that face individual Local Governments, Local Governments within a region and the Local Government sector as a whole. These issues included—

- The risk assessment and recommendations that CEOs must formulate for their Local Governments in issues which often have long term financial and community implications;
- The demands which devolve to Local Governments when private sector services or dominate industry activities are curtailed. CEOs must respond to community needs which often requires Local Governments undertake activities outside of their core responsibilities;
- The ongoing demands of leading and assisting in establishing an economic bases within the Local Government area to provide employment and associated social and community services;
- The increased demands on CEOs resulting from the designation of a 'Supertown'; and
- The role Local Governments must have in the interface between state and federal government departments and industry in service delivery and development which requires community consultation and support which creates long term financial commitments through cost sharing.

51. The Tribunal extends its gratitude to all the Local Governments who attended or participated in its meetings or teleconferences.

52. The Tribunal will continue to hold regional meetings in discharging its statutory responsibilities.

### Local Governments

53. On the basis of the submissions, regional meetings, Mercer work value assessments and data collected by the Tribunal, the Tribunal identified those Local Governments with the potential to be allocated to a different remuneration band from their existing band allocation. Further analysis was undertaken and advice was considered in respect of these Local Governments.

54. The Tribunal made adjustments to the classification of 14 Local Governments before the application of the new banding framework.

55. In this determination, the Tribunal has exercised its duties under section 7A of the Act by determining the minimum and maximum amounts of remuneration, to be paid or provided to CEOs. It has therefore not been necessary to determine the specific amount for each Local Government at this time.

56. The Tribunal will determine a specific salary point where the Local Government requests this or as the Tribunal deems necessary.

### Regional Local Governments

57. There are currently 11 regional local governments constituted under the *Local Government Act*—

- Bunbury- Harvey Regional Council;
- Eastern Metropolitan Regional Council;
- Mid West Regional Council (formerly Wildflower Country Regional Council);
- Mindarie Regional Council;
- Murchison Regional Vermin Council;

- Pilbara Regional Council;
- Rivers Regional Council (formerly South East Metropolitan Regional Council);
- South Metropolitan Regional Council;
- Tamala Park Regional Council;
- Western Metropolitan Regional Council; and
- Yarra Yarra Catchment Regional Council.

58. In 2010 the Tribunal was informed that the CEO of the Murchison Regional Vermin Council, was not in receipt of remuneration as the role was filled by the CEO of one of the member Local Governments.

59. One Regional Local Government received an increased band allocation before being transferred into the new structure.

### Labour Market and Economic Considerations

60. Table 2 sets out a selection of relevant economic indicators sourced from the Australian Bureau of Statistics (ABS) comparing current National and Western Australian data. Both quarterly increases and annual average increases have been presented in this table.

**TABLE 2**  
**National and Western Australian Economy—Quarterly and Annual Average Increases—**  
**Selected Economic Indicators 2012**

| Indicator   | Quarterly % Increase | Annual Average % Increase |
|---|----------------------|---------------------------|
| Perth—Consumer Price Index—Jan 2012 Qtr to Mar 2012 Qtr                                     | 0.2%                 | 1.9%                      |
| National—Consumer Price Index—Jan 2012 Qtr to Mar 2012 Qtr                                  | 0.1%                 | 1.6%                      |
| WA—Wage Price Index—Mar Qtr 2012  | 1.5%                 | 4.5%                      |
| National—Wage Price Index—Mar Qtr 2012  | 0.8%                 | 3.5%                      |
| WA—Wage Price Index—Mar Qtr 2012—Private Sector   | 1.6%                 | 4.6%                      |
| National—Wage Price Index—Mar Qtr 2012—Private Sector                                       | 0.8%                 | 3.7%                      |
| WA—Wage Price Index—Mar Qtr 2012—Public Sector  | 1.1%                 | 4.0%                      |
| National—Wage Price Index—Mar Qtr 2012—Public Sector  | 0.8%                 | 3.1%                      |
| WA—Average Weekly Earnings—Feb Qtr 2012   | -0.4%                | 7.9%                      |
| National—Average Weekly Earnings—Feb Qtr 2012   | 2.2%                 | 4.4%                      |
| WA—Average Weekly Earnings (Full-time Adult Ordinary Time Earnings)—Feb Qtr 2012.           | -0.9%                | 5.4%                      |
| National—Average Weekly Earnings (Full-time Adult Ordinary Time Earnings)—Feb Qtr 2012 Qtr. | 1.4%                 | 4.4%                      |
| WA Total Employment Growth—April 2012   | 1.2%                 | 4.0%                      |
| National Total Employment Growth—April 2012   | 0.3%                 | 0.6%                      |

Source: CPI: ABS Cat. 6401.0; WPI ABS Cat. 6345.0; AWE ABS Cat. 6302.0; EG ABS Cat. 6202.0(WA Economic Notes Dept. Treasury April 2012)

61. The State Government presented its views on the Western Australian economic outlook in the 2012/13 State Budget where it stated, *“The demand for Western Australia’s resource exports in recent years has resulted in a large pipeline of committed LNG and iron ore projects, which will underpin high levels of investment over coming years. Business investment is expected to be a key driver of growth in domestic demand over 2011-12 and 2012-13, though the impact on the economy will be offset to some extent by associated higher imports of capital machinery and equipment.”*

62. The exceptionally strong outlook for resource investment is expected to support above-average population growth, underpinning continued strong growth in household consumption and a recovery in housing demand. Exports are likely to be boosted over the forward estimates period by the completion of the Pluto and Gorgon LNG projects, as well as new iron ore projects and major producers’ iron ore expansions.”<sup>1</sup>

63. In regards to the economic outlook the Reserve Bank of Australia (RBA) stated, *“The domestic economy is expected to grow by about 3 per cent over 2012 and 2013, and around trend over the year to mid 2014. Over the forecast period, domestic demand is expected to grow at a slightly stronger pace than its long-run average, with rapid growth in mining investment not completely offset by weak building activity and soft government spending. Export growth has been revised lower, although it is still expected to be at an above-trend pace, as a result of high current and future investment in mine and transport infrastructure.”*<sup>2</sup>

<sup>1</sup> 2012/13 WA State Budget Paper number 3 <http://www.rba.gov.au/publications/smp/2012/may/pdf/0512.pdf>

<sup>2</sup> Reserve Bank of Australia (RBA) statement on Monetary Policy – May 2012  
<http://www.rba.gov.au/publications/smp/2011/may/html/index.html>

64. Of particular interest to the Local Governments in regional areas, is the RBA's forecast that, "The outlook for mining investment has been revised higher since the February Statement. Information from liaison indicates that some projects previously considered only possible now look more likely to go ahead than had been previously assumed, and that work on some other projects is progressing at least as fast as was expected. Data for the December quarter 2011 also suggest that there is a larger pipeline of work yet-to-be-done in iron ore and coal projects, and surveyed mining investment intentions for 2012/13 also highlight the strong outlook for mining investment (even accounting for the likelihood that not all of this intended investment will occur). Putting all this together, mining investment is expected to rise to around 9 per cent of GDP in 2012/13 compared with a 50-year average of 2 per cent."<sup>3</sup>

65. In view of these labour market and economic conditions, the Tribunal has determined that there should be a general increase to pay rates for Local Government CEOs.

### **Regional/Isolation Allowance**

66. The Tribunal highlighted in its 2011 Recommendation Report some of the pressures on regional and remote Local Governments. This has been further emphasised to the Tribunal in the submissions received and through the regional meetings the Tribunal has conducted.

67. Although each Local Government faces its own unique pressures, they can be categorised as either—

- Remoteness: Issues associated with the vast distances separating communities within a Local Government or distance of the Local Government from Perth or a Regional Centre;
- Cost of living: The increased cost of living highlighted specifically in the Regional Price Index 2011 report<sup>4</sup>;
- Social Disadvantage: The lack of specialist health services, schooling opportunities for children, employment opportunities for spouse, lack of lifestyle commodities found in Perth and regional centres and access to professional and personal support networks;
- Dominant industry: The impact that a dominant industry such as a mining or agriculture has on an area and the ability to attract and retain people in the face of a dominant industry;
- Attraction/retention: being able to recruit suitably qualified candidates and being able to retain them in light of the above concerns in competition with positions in Perth, regional centres and private industry;
- Community expectations: the pressure the above factors impose on a CEO where professional or operational expertise is not readily available.

68. In order for Local Governments to be able to adequately compensate for these factors, the Tribunal has determined a Regional/Isolation Allowance for eligible Local Governments.

69. As a starting point the Tribunal considered the *District Allowance (Government Officers) General Agreement 2010*. This Award provides a standard of whether or not any public officer is eligible for a Regional/Isolation Allowance. The Tribunal has adopted the same boundaries as the map presented in Schedule H of the *District Allowance (Government Officers) General Agreement 2010*. Where the dividing line crossed Local Government boundaries the Tribunal has determined that those Local Governments are eligible for the Regional/Isolation Allowance.

70. All Local Governments within the Gascoyne, Goldfields-Esperance, Kimberley, Mid-West and Pilbara regions as well as the Shires of Kondinin, Kulin, Lake Grace, Merredin, Mount Marshall, Mukinbudin, Narembeen, Nungarin, Westonia and Yilgarn from the Wheatbelt region and the Shires of Jerramungup and Kent from the Great Southern Region, are eligible for the Regional/Isolation Allowance.

71. Once the eligible Local Governments had been determined, the Tribunal developed a formula to establish the amount of the allowance that took into account the Regional Price Index, isolation as measured by the Accessibility/Remoteness Index of Australia, climate as measured by the Bureau of Meteorology's Relative Strain Index, market and recruitment pressures in these regions and specific issues associated with a Local Government brought to the Tribunal's attention through either submissions or the Tribunal's meetings throughout the regions.

72. The Tribunal would like to impress that there is no requirement for Local Governments to pay this allowance. This allowance is provided to enable Local Governments to compensate for the issues highlighted above. If the Local Government is not experiencing any of these pressures and the Total Reward Package is sufficient in attracting a quality candidate, then the Local Government is not required to pay this allowance. The allowance provided in Schedule 2 is a maximum amount and the Local Government has full discretion, albeit within the parameters set by the Tribunal, as to whether it is appropriate to pay any amount up to the maximum under this allowance.

73. If any Local Government requires advice from the Tribunal as to the appropriateness or quantum of this allowance, they are strongly encouraged to contact the Tribunal.

### **Housing Allowance**

74. In its current inquiry, the Tribunal noted the necessity of many Local Governments in remote and regional areas to provide accommodation to the CEO. This necessity has arisen from either a lack of suitable housing or a requirement to attract a suitable CEO from outside the Local Government area.

<sup>3</sup> Reserve Bank of Australia (RBA) statement on Monetary Policy – May 2012  
<http://www.rba.gov.au/publications/smp/2011/may/html/index.html>

<sup>4</sup> Regional Price Index 2011 <http://www.rdl.wa.gov.au/publications/Documents/RegionalPriceIndex2011.pdf>

75. Where accommodation is owned or leased by the Local Government and provided to the CEO, the Tribunal considers the payment of this allowance to be outside of the Total Reward Package. The provision of any such accommodation must be within or adjacent to the Local Government area.

76. For the purposes of determining a value on this allowance, a property owned by the Local Government will be valued at the annual Gross Rental Value as determined by the Valuer General. Where a property is leased by the Local Government the actual lease cost will be the determined value of the allowance.

77. Where the Local Government is providing a subsidy to the CEO on a property owned or leased by the CEO then this is to be considered as part of the Total Reward Package.

78. The provision of accommodation under this allowance is at the discretion of the Local Government, albeit within the parameters set by the Tribunal, and may be provided in instances where there is a lack of suitable housing in the Local Government or a requirement to attract a suitable CEO from outside the Local Government. It should not however be used as a way to artificially increase the remuneration of a CEO where there is no justifiable reason behind the provision of a housing allowance.

### **Motor Vehicle**

79. During its inquiry the Tribunal was presented with the issue that for many CEOs from remote areas the provision of a motor vehicle, being part of their Total Reward Package was seen as a detriment in remuneration terms. Numerous cases were presented where a CEO would use the vehicle for 80% or more for business and would have very limited private use due to the small nature of many of the remote centres where the CEO resides. In one case a CEO reported he had essentially zero personal usage of the vehicle. Despite this, the full value of the vehicle was being included in the Total Reward Package of the CEO. This was contrary to the Tribunal's Recommendation Report which stated the "Benefit value of provision of motor vehicle for private use" was to be included in the Total Reward Package.

80. In framing this current determination, the Tribunal took the view that in light of the vast distances within the remote Local Governments, the distances from Perth or a regional centre and low personal value of the motor vehicle, that for those Local Governments listed under Schedule 2 of this determination, the provision of a motor vehicle was to be considered a tool of trade (i.e. a tool needed to undertake the duties of a CEO in these Local Governments) and not be considered within the Total Reward Package.

81. The provision of a motor vehicle, including the type and standard of motor vehicle, to these CEOs will be at the discretion of the Local Government and there is no requirement to provide a motor vehicle if the Local Government feels there is no justifiable reason to do so. Any personal use that the CEO may enjoy as a result of the provision of the motor vehicle shall be in compliance with the general policies of the Local Government in relation to the private use of motor vehicles.

82. In order not to disadvantage Local Governments which are not listed under Schedule 2 of this determination, the Tribunal has determined that for all other Local Governments only the personal benefit value of the motor vehicle will be included in the Total Reward Package.

83. The value of the personal benefit will be dependent on a number of factors including the type of motor vehicle provided, method of ownership (i.e. Local Government owned or leased) and the amount of private use (i.e. non-business use) of the vehicle. As a general rule the private benefit value would be based upon the annual costs, multiplied by the percentage of private use. For example, a CEO who has 50% private use of a motor vehicle with an annual lease cost of \$20,000, the personal benefit value for the Total Reward Package would be \$10,000.

84. Local Governments and CEOs will need to identify and implement appropriate procedures to record the amount of private use in order to calculate the private benefit value.

### **Acting or Temporary CEOs**

85. The Tribunal has received legal advice that the remuneration of acting or temporary Local Government CEOs falls within the jurisdiction of the Tribunal.

86. The Tribunal recognises that the circumstances under which acting or temporary CEO duties are performed will vary. These may include but are not limited to—

- Length of time appointed to act;
- Location;
- Reasons for an acting appointment;
- Capacity to implement and maintain the operational imperatives of the Local Government;
- Fly in/fly out or drive in/drive out terms of an acting CEO;
- The particular skills and experience of the acting CEO;
- Conditions of appointment; and
- Whether the acting CEO is appointed by a Local Government or Administrator.

87. In respect to an existing acting or temporary CEO, the remuneration level is to be determined by the application of the relevant provision of Schedules 1, 2, 3 and 4 of this Determination.

88. Where a future acting or temporary CEO appointment is to be made, remuneration is to be determined by reference to the relevant provisions of Schedules 1, 2, 3 and 4 of this Determination or by a specific determination of the Tribunal.

## CONCLUSIONS

89. The extensive inquiry that occurred prior to the production of this determination has highlighted the difficulties in recruitment and retention of capable people into some of the remote regions within the State. The amalgamation process pursued by the State Government has added to the uncertainty in the smaller councils. On more than one occasion, Local Governments raised the prospect of relocating families to regional areas and then having the possibility of the CEO position being made redundant.

90. In some cases concerns were raised regarding the remuneration required to attract the appropriate person to a vacant CEO position. The fact is that the wrong decision can set Local Governments back severely in their capacity to function properly. The role and responsibility of a Local Government CEO is not easily compared to a position within the State Public Service and the Tribunal holds the view that these positions are unique within the wide jurisdiction of positions for which the Tribunal determines remuneration.

91. The tenuous nature of the employment of Local Government CEOs is another feature of this industry. Whilst the public sector has a redeployment program for displaced employees, this is not the case in the Local Government sphere. The Tribunal has been informed of numerous examples where CEOs have been dismissed or not had their contracts renewed.

92. It is easy to dismiss the level of responsibility of a CEO based on the apparent small size of a Local Government. The size and number of Local Governments is not a matter for the Tribunal to consider, however, whilst they exist it is now the Tribunal's responsibility to ensure that the level of remuneration will enable a council to operate with a person of the right calibre.

93. The Tribunal has determined a general adjustment of 3.5 per cent to the remuneration payable to Local Government CEOs. This adjustment is reflective of the competitive labour market and includes a modest increase in the cost of living. Where Local Governments are seeking to increase the remuneration of the CEO based upon the decision of the Tribunal, 3.5 per cent is the percentage considered.

94. The Tribunal has also adjusted its remuneration band framework for Local Government CEOs by 3.5 per cent in line with the percentile ranking commensurate with the standard adopted by the Tribunal in the past. This maintains the band structure at around the 25th percentile of Mercer General Market data in Australia. This represents a structural realignment of the banding framework and is not to be considered an economic adjustment for CEO remuneration.

95. This determination does not provide authority for unreasonable upward remuneration movements simply because the particular level of remuneration may not be approaching the top of the band.

96. After considering all the relevant information, the Tribunal increased the classification of the following Local Governments before transposing them into the new banding framework—

- Shire of Augusta-Margaret River;
- Shire of Carnarvon;
- Shire of Collie;
- Shire of Dandaragan;
- Shire of Dundas;
- Shire of East Pilbara;
- City of Joondalup;
- Shire of Meekatharra;
- Shire of Northam;
- City of Port Hedland;
- Shire of Roebourne;
- Shire of Sandstone;
- City of Swan; and
- Shire of Yalgoo.

97. The Tribunal also increased the classification of the following Regional Local Government before transposing them into the new banding framework—

- Western Metropolitan Regional Council.

98. The Tribunal has determined a maximum amount for specific Local Governments, listed in Schedule 2, to utilise as a Regional/Isolation Allowance in recognition of the specific issues relating to remote and regional Local Governments. There is no requirement for Local Governments to pay all or any of this allowance and is at the discretion of the Local Government, albeit within the parameters set by the Tribunal, having regard to the prevailing factors.

99. The Tribunal has defined the provision of a Housing Allowance under schedule 3 of this determination. A Housing Allowance is to be provided at the discretion of the Local Government, albeit within the parameters set by the Tribunal, dependent on the circumstances of the situation as set out in Schedule 3.

100. The Tribunal has determined that the use of a motor vehicle in Local Governments listed under Schedule 2 of this determination is to be considered as a tool of trade which sits outside the Total Reward Package of the CEO. The provision of a motor vehicle remains at the discretion of the Local Government. For all other Local Governments, the Tribunal has determined that the personal benefit value of the motor vehicle, particular to each Local Government, should be included the Total Reward Package of the Chief Executive Officer.

101. Parliament has identified particular arrangements for entitlements of “preserved” CEOs. While those appointments are outside the scope of the Tribunal’s jurisdiction nevertheless it would be prudent of councils employing “preserved” CEOs to be cognisant of the Tribunal’s determination.

102. For all CEOs the 3.5% economic adjustment to salary is deemed reasonable and appropriate at this time. A council would have to satisfy itself that there was sound justification for an increase above that percentage adjustment.

103. The provision of a band structure does not relieve the council of determining a CEO’s remuneration on sound industrial principles.

104. The Tribunal’s determination under Schedules 1, 2, 3 and 4 sets out a structure to identify factors relevant to a CEO’s remuneration. To facilitate the council’s consideration of a CEO within a salary band, or in the case of a “preserved” CEO, to clarify the components of an existing salary package, present levels of remuneration should be assessed by reference to those factors.

105. The proper identification of components which make up a CEO’s Total Reward Package under factors set out in the Schedules will determine whether remuneration continues to be expressed by reference to a salary band or determined as a specific amount as is provided for under the legislation.

106. Nothing in this determination shall be interpreted and/or applied in such a manner as to circumvent the intention of the Tribunal to ensure transparency and accountability in the remuneration of Local Government CEOs.

107. A number of the conclusions carried forward into the determination are easily assessable and will form part of the deliberations of the Tribunal at the next inquiry to determine whether the banding is being applied in the manner envisaged by the Tribunal.

108. This determination of the Tribunal will take effect from 1 July 2012.

Signed at Perth this 30th day of June 2012.

W. S. COLEMAN AM,  
Chairman.

C. A. BROADBENT,  
Member.

B. J. MOORE,  
Member.

Salaries and Allowances Tribunal.

## SALARIES AND ALLOWANCES ACT 1975 DETERMINATION

### GENERAL

1.1 The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.

1.2 The following Schedules in this determination apply to—

- 1.2.1 CEOs and
- 1.2.2 acting or temporary CEOs.

1.3 The remuneration specified in this determination is based on a person being appointed to one Local Government CEO position only. In the case of a person being appointed to undertake the duties of more than one CEO position simultaneously, the relevant Local Governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.

1.4 If a Local Government undergoes an amalgamation or a rezoning of Local Government boundaries, the Local Government is required to seek a new determination from the Tribunal.

### SCHEDULE 1: TOTAL REWARD PACKAGE

#### PART 1—LOCAL GOVERNMENT TOTAL REWARD PACKAGE

1.1 Offices listed in this Schedule have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.

1.2 Each classification (Band 1 to Band 4) has a commensurate Total Reward Package range as specified below in this Part of the Schedule. Typical components of a Total Reward Package include—

- (a) Base salary;
- (b) Annual leave loading;
- (c) Associated FBT accrued (total annual amount of fringe benefits tax paid by the Local Government for all fringe benefits provided to a CEO);
- (d) Association membership fees;
- (e) Attraction/retention allowance, not being provided under Schedule 2;
- (f) Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Schedule 4 of this determination;
- (g) Cash bonus and performance incentives;
- (h) Cash in lieu of a motor vehicle;
- (i) Fitness club fees;
- (j) Grooming/clothing allowance;
- (k) Health insurance;
- (l) School fees and/or child’s uniform;

- (m) Superannuation (all mandatory and non-mandatory employer superannuation contributions;
- (n) Travel or any other benefit taken in lieu of salary;
- (o) Travel for spouse or any other member of family;
- (p) Unrestricted entertainment allowance;
- (q) Utilities allowance (any water, power or any other utility subsidy provided to the CEO); and
- (r) Any other form of payment, in cash or not, in consideration of a reward or benefit of the CEOs duties.

1.3 The Total Reward Package ranges specified in this Schedule are based on the office being of a full-time nature. The relevant Total Reward Package shall be payable on a pro rata basis in accord with the proportion of full-time hours worked.

1.4 The only exclusions from the Total Reward Package are—

- (a) Those items listed in Schedules 2, 3 and 4 of this determination; and
- (b) Employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or cost of recruitment and relocation expenses; and
- (c) Those items that are considered to be a tool of trade (i.e. the equipment needed to undertake the duties of a CEO) by the Local Government and which are not a direct or indirect reward or benefit for the performance of duties as a Chief Executive Officer.

| <b>Band</b> | <b>Total Reward Package per annum</b> | <b>Number of Local Governments</b> |
|-------------|---------------------------------------|------------------------------------|
| 1           | \$238,043—\$350,327                   | 18                                 |
| 2           | \$196,338—\$295,148                   | 23                                 |
| 3           | \$150,141—\$239,327                   | 34                                 |
| 4           | \$121,909—\$184,788                   | 63                                 |

1.5 An economic adjustment of 3.5 per cent has been built into the Total Reward Package ranges specified in this Part.

## **PART 2—LOCAL GOVERNMENT CLASSIFICATIONS**

| <b>Local Government</b>      | <b>Band</b> | <b>Total Reward Package Per Annum</b> |
|------------------------------|-------------|---------------------------------------|
| Albany City                  | 2           | \$196,338—\$295,148                   |
| Armadale City                | 1           | \$238,043—\$350,327                   |
| Ashburton Shire              | 2           | \$196,338—\$295,148                   |
| Augusta-Margaret River Shire | 2           | \$196,338—\$295,148                   |
| Bassendean Town              | 3           | \$150,141—\$239,327                   |
| Bayswater City               | 1           | \$238,043—\$350,327                   |
| Belmont City                 | 2           | \$196,338—\$295,148                   |
| Beverley Shire               | 4           | \$121,909—\$184,788                   |
| Boddington Shire             | 4           | \$121,909—\$184,788                   |
| Boyup Brook Shire            | 4           | \$121,909—\$184,788                   |
| Bridgetown-Greenbushes Shire | 3           | \$150,141—\$239,327                   |
| Brookton Shire               | 4           | \$121,909—\$184,788                   |
| Broome Shire                 | 2           | \$196,338—\$295,148                   |
| Broomehill-Tambellup Shire   | 4           | \$121,909—\$184,788                   |
| Bruce Rock Shire             | 4           | \$121,909—\$184,788                   |
| Bunbury City                 | 2           | \$196,338—\$295,148                   |
| Busselton Shire              | 2           | \$196,338—\$295,148                   |
| Cambridge Town               | 2           | \$196,338—\$295,148                   |
| Canning City                 | 1           | \$238,043—\$350,327                   |
| Capel Shire                  | 3           | \$150,141—\$239,327                   |
| Carnamah Shire               | 4           | \$121,909—\$184,788                   |
| Carnarvon Shire              | 2           | \$196,338—\$295,148                   |
| Chapman Valley Shire         | 4           | \$121,909—\$184,788                   |
| Chittering Shire             | 3           | \$150,141—\$239,327                   |
| Claremont Town               | 3           | \$150,141—\$239,327                   |
| Cockburn City                | 1           | \$238,043—\$350,327                   |
| Collie Shire                 | 3           | \$150,141—\$239,327                   |
| Coolgardie Shire             | 3           | \$150,141—\$239,327                   |

| <b>Local Government</b>    | <b>Band</b> | <b>Total Reward Package<br/>Per Annum</b> |
|----------------------------|-------------|---|
| Coorow Shire               | 4           | \$121,909—\$184,788                       |
| Corrigin Shire             | 4           | \$121,909—\$184,788                       |
| Cottesloe Town             | 3           | \$150,141—\$239,327                       |
| Cranbrook Shire            | 4           | \$121,909—\$184,788                       |
| Cuballing Shire            | 4           | \$121,909—\$184,788                       |
| Cue Shire                  | 4           | \$121,909—\$184,788                       |
| Cunderdin Shire            | 4           | \$121,909—\$184,788                       |
| Dalwallinu Shire           | 4           | \$121,909—\$184,788                       |
| Dandaragan Shire           | 3           | \$150,141—\$239,327                       |
| Dardanup Shire             | 3           | \$150,141—\$239,327                       |
| Denmark Shire              | 3           | \$150,141—\$239,327                       |
| Derby-West Kimberley Shire | 2           | \$196,338—\$295,148                       |
| Donnybrook Balingup Shire  | 3           | \$150,141—\$239,327                       |
| Dowerin Shire              | 4           | \$121,909—\$184,788                       |
| Dumbleyung Shire           | 4           | \$121,909—\$184,788                       |
| Dundas Shire               | 4           | \$121,909—\$184,788                       |
| East Fremantle Town        | 3           | \$150,141—\$239,327                       |
| East Pilbara Shire         | 2           | \$196,338—\$295,148                       |
| Esperance Shire            | 2           | \$196,338—\$295,148                       |
| Exmouth Shire              | 3           | \$150,141—\$239,327                       |
| Fremantle City             | 1           | \$238,043—\$350,327                       |
| Gingin Shire               | 3           | \$150,141—\$239,327                       |
| Gnowangerup Shire          | 4           | \$121,909—\$184,788                       |
| Goomalling Shire           | 4           | \$121,909—\$184,788                       |
| Gosnells City              | 1           | \$238,043—\$350,327                       |
| Greater Geraldton City     | 1           | \$238,043—\$350,327                       |
| Halls Creek Shire          | 3           | \$150,141—\$239,327                       |
| Harvey Shire               | 2           | \$196,338—\$295,148                       |
| Irwin Shire                | 3           | \$150,141—\$239,327                       |
| Jerramungup Shire          | 4           | \$121,909—\$184,788                       |
| Joondalup City             | 1           | \$238,043—\$350,327                       |
| Kalamunda Shire            | 2           | \$196,338—\$295,148                       |
| Kalgoorlie-Boulder City    | 1           | \$238,043—\$350,327                       |
| Katanning Shire            | 3           | \$150,141—\$239,327                       |
| Kellerberrin Shire         | 4           | \$121,909—\$184,788                       |
| Kent Shire                 | 4           | \$121,909—\$184,788                       |
| Kojonup Shire              | 3           | \$150,141—\$239,327                       |
| Kondinin Shire             | 4           | \$121,909—\$184,788                       |
| Koorda Shire               | 4           | \$121,909—\$184,788                       |
| Kulin Shire                | 4           | \$121,909—\$184,788                       |
| Kwinana Town               | 2           | \$196,338—\$295,148                       |
| Lake Grace Shire           | 4           | \$121,909—\$184,788                       |
| Laverton Shire             | 3           | \$150,141—\$239,327                       |
| Leonora Shire              | 3           | \$150,141—\$239,327                       |
| Mandurah City              | 1           | \$238,043—\$350,327                       |
| Manjimup Shire             | 3           | \$150,141—\$239,327                       |
| Meekatharra Shire          | 3           | \$150,141—\$239,327                       |
| Melville City              | 1           | \$238,043—\$350,327                       |
| Menzies Shire              | 4           | \$121,909—\$184,788                       |
| Merredin Shire             | 3           | \$150,141—\$239,327                       |
| Mingenew Shire             | 4           | \$121,909—\$184,788                       |
| Moora Shire                | 3           | \$150,141—\$239,327                       |
| Morawa Shire               | 4           | \$121,909—\$184,788                       |

| <b>Local Government</b>     | <b>Band</b> | <b>Total Reward Package<br/>Per Annum</b> |
|-----------------------------|-------------|---|
| Mosman Park Town            | 3           | \$150,141—\$239,327                       |
| Mount Magnet Shire          | 4           | \$121,909—\$184,788                       |
| Mount Marshall Shire        | 4           | \$121,909—\$184,788                       |
| Mukinbudin Shire            | 4           | \$121,909—\$184,788                       |
| Mundaring Shire             | 2           | \$196,338—\$295,148                       |
| Murchison Shire             | 4           | \$121,909—\$184,788                       |
| Murray Shire                | 3           | \$150,141—\$239,327                       |
| Nannup Shire                | 4           | \$121,909—\$184,788                       |
| Narembeen Shire             | 4           | \$121,909—\$184,788                       |
| Narrogin Shire              | 4           | \$121,909—\$184,788                       |
| Narrogin Town               | 4           | \$121,909—\$184,788                       |
| Nedlands City               | 2           | \$196,338—\$295,148                       |
| Ngaanyatjarraku Shire       | 4           | \$121,909—\$184,788                       |
| Northam Shire               | 2           | \$196,338—\$295,148                       |
| Northampton Shire           | 4           | \$121,909—\$184,788                       |
| Nungarin Shire              | 4           | \$121,909—\$184,788                       |
| Peppermint Grove Shire      | 4           | \$121,909—\$184,788                       |
| Perenjori Shire             | 4           | \$121,909—\$184,788                       |
| Perth City                  | 1           | \$238,043—\$350,327                       |
| Pingelly Shire              | 4           | \$121,909—\$184,788                       |
| Plantagenet Shire           | 3           | \$150,141—\$239,327                       |
| Port Hedland Town           | 1           | \$238,043—\$350,327                       |
| Quairading Shire            | 4           | \$121,909—\$184,788                       |
| Ravensthorpe Shire          | 3           | \$150,141—\$239,327                       |
| Rockingham City             | 1           | \$238,043—\$350,327                       |
| Roebourne Shire             | 1           | \$238,043—\$350,327                       |
| Sandstone Shire             | 4           | \$121,909—\$184,788                       |
| Serpentine-Jarrahdale Shire | 3           | \$150,141—\$239,327                       |
| Shark Bay Shire             | 4           | \$121,909—\$184,788                       |
| South Perth City            | 2           | \$196,338—\$295,148                       |
| Stirling City               | 1           | \$238,043—\$350,327                       |
| Subiaco City                | 2           | \$196,338—\$295,148                       |
| Swan City                   | 1           | \$238,043—\$350,327                       |
| Tammin Shire                | 4           | \$121,909—\$184,788                       |
| Three Springs Shire         | 4           | \$121,909—\$184,788                       |
| Toodyay Shire               | 3           | \$150,141—\$239,327                       |
| Trayning Shire              | 4           | \$121,909—\$184,788                       |
| Upper Gascoyne Shire        | 4           | \$121,909—\$184,788                       |
| Victoria Park Town          | 2           | \$196,338—\$295,148                       |
| Victoria Plains Shire       | 4           | \$121,909—\$184,788                       |
| Vincent Town                | 2           | \$196,338—\$295,148                       |
| Wagin Shire                 | 4           | \$121,909—\$184,788                       |
| Wandering Shire             | 4           | \$121,909—\$184,788                       |
| Wanneroo City               | 1           | \$238,043—\$350,327                       |
| Waroona Shire               | 3           | \$150,141—\$239,327                       |
| West Arthur Shire           | 4           | \$121,909—\$184,788                       |
| Westonia Shire              | 4           | \$121,909—\$184,788                       |
| Wickepin Shire              | 4           | \$121,909—\$184,788                       |
| Williams Shire              | 4           | \$121,909—\$184,788                       |
| Wiluna Shire                | 4           | \$121,909—\$184,788                       |
| Wongan Ballidu Shire        | 4           | \$121,909—\$184,788                       |
| Woodanilling Shire          | 4           | \$121,909—\$184,788                       |
| Wyalkatchem Shire           | 4           | \$121,909—\$184,788                       |

| Local Government             | Band | Total Reward Package Per Annum |
|------------------------------|------|--------------------------------|
| Wyndham-East Kimberley Shire | 2    | \$196,338—\$295,148            |
| Yalgoo Shire                 | 4    | \$121,909—\$184,788            |
| Yilgarn Shire                | 3    | \$150,141—\$239,327            |
| York Shire                   | 3    | \$150,141—\$239,327            |

**PART 3—REGIONAL LOCAL GOVERNMENT TOTAL REWARD PACKAGE**

3.1 Part 1 of this Schedule also applies to Regional Local Government CEOs.

| Band | Total Reward Package Per Annum | Number of Regional Local Governments |
|------|--------------------------------|--------------------------------------|
| 1    | \$238,043—\$350,327            | 0                                    |
| 2    | \$196,338—\$295,148            | 3                                    |
| 3    | \$150,141—\$239,327            | 2                                    |
| 4    | \$121,909—\$184,788            | 5                                    |

**PART 4—REGIONAL LOCAL GOVERNMENT CLASSIFICATIONS**

| Regional Local Government              | Band | Total Reward Package Per Annum |
|--|------|--------------------------------|
| Bunbury-Harvey Regional Council        | 4    | \$121,909—\$184,788            |
| Eastern Metropolitan Regional Council  | 2    | \$196,338—\$295,148            |
| Mid West Regional Council              | 4    | \$121,909—\$184,788            |
| Mindarie Regional Council              | 3    | \$150,141—\$239,327            |
| Murchison Regional Vermin Council      | —    | —                              |
| Pilbara Regional Council               | 4    | \$121,909—\$184,788            |
| Rivers Regional Council                | 3    | \$150,141—\$239,327            |
| Southern Metropolitan Regional Council | 2    | \$196,338—\$295,148            |
| Tamala Park Regional Council           | 2    | \$196,338—\$295,148            |
| Western Metropolitan Regional Council  | 4    | \$121,909—\$184,788            |
| Yarra Yarra Catchment Regional Council | 4    | \$121,909—\$184,788            |

4.1 The Murchison Regional Vermin Council is not awarded a band classification as the CEO position is undertaken by the CEO of one of the member Local Governments who does not receive additional remuneration for this purpose.

Signed at Perth this 30th day of June 2012.

W. S. COLEMAN AM,  
Chairman.

C. A. BROADBENT,  
Member.

B. J. MOORE,  
Member.

Salaries and Allowances Tribunal.

**SCHEDULE 2: REGIONAL/ISOLATION ALLOWANCE****PART 1—GENERAL**

1.1 Local Governments listed under Part 2 of this schedule have access to an amount additional to the Total Reward Package for CEO remuneration in recognition of the regional and isolation factors which may affect the attraction and retention of CEOs in the Local Governments specified in this Part.

1.2 Local Governments are not required to pay all or any of this amount and the payment of this allowance is at the discretion of the Local Government, albeit within the parameters set by the Tribunal.

1.3 When a Local Government chooses to use all or any of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.

1.4 When a Local Government chooses to pay all or any of this allowance, all of it is to be paid to the CEO as salary.

**PART 2—APPLICABLE REGIONAL/ISOLATION ALLOWANCE**

| <b>Local Government</b>      | <b>Maximum Regional/Isolation Allowance Per Annum</b> |
|------------------------------|---|
| Ashburton Shire              | \$55,000  |
| Broome Shire                 | \$35,000  |
| Carnamah Shire               | \$30,000  |
| Carnarvon Shire              | \$30,000  |
| Chapman Valley Shire         | \$30,000  |
| Coolgardie Shire             | \$30,000  |
| Coorow Shire                 | \$30,000  |
| Cue Shire                    | \$40,000  |
| Derby-West Kimberley Shire   | \$45,000  |
| Dundas Shire                 | \$30,000  |
| East Pilbara Shire           | \$55,000  |
| Esperance Shire              | \$25,000  |
| Exmouth Shire                | \$35,000  |
| Geraldton-Greenough City     | \$25,000  |
| Halls Creek Shire            | \$65,000  |
| Irwin Shire                  | \$30,000  |
| Jerramungup Shire            | \$25,000  |
| Kalgoorlie-Boulder City      | \$30,000  |
| Kent Shire                   | \$7,500   |
| Kondinin Shire               | \$7,500   |
| Kulin Shire                  | \$7,500   |
| Lake Grace Shire             | \$7,500   |
| Laverton Shire               | \$30,000  |
| Leonora Shire                | \$30,000  |
| Meekatharra Shire            | \$40,000  |
| Menzies Shire                | \$30,000  |
| Merredin Shire               | \$7,500   |
| Mingenew Shire               | \$30,000  |
| Morawa Shire                 | \$30,000  |
| Mount Magnet Shire           | \$30,000  |
| Mount Marshall               | \$7,500   |
| Mukinbudin Shire             | \$25,000  |
| Murchison Shire              | \$30,000  |
| Narembeen Shire              | \$7,500   |
| Ngaanyatjarraku Shire        | \$30,000  |
| Northampton Shire            | \$30,000  |
| Nungarin Shire               | \$7,500   |
| Perenjori Shire              | \$30,000  |
| Port Hedland Town            | \$70,000  |
| Ravensthorpe Shire           | \$30,000  |
| Roebourne Shire              | \$70,000  |
| Sandstone Shire              | \$30,000  |
| Shark Bay Shire              | \$35,000  |
| Three Springs Shire          | \$30,000  |
| Upper Gascoyne Shire         | \$35,000  |
| Westonia Shire               | \$25,000  |
| Wiluna Shire                 | \$30,000  |
| Wyndham-East Kimberley Shire | \$45,000  |
| Yalgoo Shire                 | \$30,000  |
| Yilgarn Shire                | \$25,000  |

Signed at Perth this 30th day of June 2012.

W. S. COLEMAN AM,  
Chairman.C. A. BROADBENT,  
Member.  
Salaries and Allowances Tribunal.B. J. MOORE,  
Member.

**SCHEDULE 3: HOUSING ALLOWANCE****PART 1—GENERAL**

1.1 In recognition of the need of Local Governments to provide accommodation as a result of lack of suitable housing or recruitment issues, on either a permanent or temporary basis, Local Governments are able to utilise this allowance as required.

1.2 When a Local Government chooses to use this allowance, the provision of the allowance should be of a justifiable and transparent manner.

1.3 Any accommodation provided under this Schedule must be located within or adjacent to the Local Government area within which the CEO is employed.

1.4 Local Governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

**PART 2—APPLICABLE HOUSING ALLOWANCE**

2.1 Where a Local Government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.

2.2 For reporting purposes, the value of the Local Government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General. Where applicable, the value shall be apportioned on a pro rata basis for the portion of the year which the property has been provided for the use of the CEO.

2.3 Where a Local Government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.

2.4 For reporting purposes, the value of the Local Government leased property shall be the annual actual costs of the accommodation lease. Where applicable, the costs shall be apportioned on a pro rata basis for the portion of the year which the property has been provided for the use of the CEO.

Signed at Perth this 30th day of June 2012.

W. S. COLEMAN AM,  
Chairman.

C. A. BROADBENT,  
Member.

B. J. MOORE,  
Member.

Salaries and Allowances Tribunal.

**SCHEDULE 4: MOTOR VEHICLE****PART 1—GENERAL**

1.1 For Local Governments listed in Schedule 2 of this determination, any motor vehicle provided to the CEO by the Local Government is to be considered a tool of trade (i.e. a tool needed to undertake the duties of a CEO in these Local Governments). Any private benefit of the vehicle will not be considered as part of the Total Reward Package.

1.2 For Local Governments not listed in Schedule 2 of this determination the private benefit value of any motor vehicle provided to the CEO by the Local Government is to be included in the Total Reward Package.

**PART 2—PRIVATE BENEFIT VALUE**

2.1 The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. Local Government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use (i.e. non-business use) of the vehicle.

2.2 As a general rule the private benefit value would be based upon the annual costs, multiplied by the percentage of private use.

2.3 Local Governments and CEOs will need to come to an agreement on the most appropriate way to record the amount of private use in order to calculate the private benefit value.

Signed at Perth this 30th day of June 2012.

W. S. COLEMAN AM,  
Chairman.

C. A. BROADBENT,  
Member.

B. J. MOORE,  
Member.

Salaries and Allowances Tribunal.