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SALARIES AND ALLOWANCES ACT 1975

**DETERMINATION OF THE
SALARIES AND ALLOWANCES
TRIBUNAL**

**PUBLIC SERVICE OFFICE HOLDERS
INCLUDED IN THE SPECIAL
DIVISION**

SALARIES AND ALLOWANCES ACT 1975**SALARIES AND ALLOWANCES TRIBUNAL****DETERMINATION OF PUBLIC SERVICE OFFICE HOLDERS INCLUDED IN
THE SPECIAL DIVISION****Pursuant to Sections 6(1) (d)****November 2012****BACKGROUND**

1. The Salaries and Allowances Tribunal has issued a determination in relation to the remuneration of the Directors of eight Regional Development Commissions which were recently included in the Special Division of the Public Service.

2. In issuing this determination, the Tribunal has taken into account the need to determine remuneration packages for office holders working in regional locations where such factors as the cost of living, climatic conditions and provision of adequate housing have an effect on the attraction and retention of suitable office holders.

3. This has resulted in a model of remuneration which is reflective of the total employment cost for office holders. It incorporates the current framework of public sector salaries including the four Band classification structure for Chief Executive Officers and non-Chief Executive Officers determined by the Tribunal for other office holders in February 2012.

4. Without limiting its discretion, the Tribunal has also taken into account existing Western Australian Government policy settings for public servants in regional areas as reflected in policies relating to Government regional officers' housing and district allowances.

The determination will now issue.

Signed this 22nd day of November 2012.

W. S. COLEMAN AM,
Chairman.

C. A. BROADBENT,
Member.

B. J. MOORE,
Member.

Salaries and Allowances Tribunal

FIRST SCHEDULE

Pursuant to section 6(1)(d) and (e) of the *Salaries and Allowances Act 1975*, the Salaries and Allowances Tribunal ("the Tribunal") determines the remuneration to be paid to offices of the Public Service who hold offices included in the Special Division and those who hold Prescribed Offices, as hereunder follows with effect from the date of the appointment of the office holders.

PART 1: REMUNERATION**SECTION 1: GENERAL**

1.1 The remuneration of holders of offices listed in this Schedule comprises salary, superannuation and other benefits described below.

1.2 The remuneration is inclusive of annual leave loading.

1.3 A person holding more than one Special Division or Prescribed Office, shall receive remuneration for one such office only, being the office classified or remunerated at the highest level.

1.4 To the extent that terms and conditions of employment affect remuneration (e.g. paid leave), office holders listed in this Schedule are entitled to the same terms and conditions as contained in the *Public Service Award 1992* as at the date of this determination and the *Public Service and Government Officers General Agreement 2011*. Where there is any inconsistency between the this determination and the terms and conditions of the *Public Service Award 1992* and the *Government Officers General Agreement 2011*, the determination in this Schedule shall prevail to the extent of any inconsistency.

1.5 Special Division and Prescribed Office holders are entitled to participate in salary packaging arrangements for superannuation and novated leases. Those arrangements can be effected in accordance with the "Guidelines for Salary Packaging in the WA Public Sector" document, which can be accessed at—

http://www.commerce.wa.gov.au/LabourRelations/PDF/Circulars/2012_004.pdf

PART 2: CLASSIFICATION FRAMEWORK FOR SPECIAL DIVISION OFFICES**SECTION 1: GENERAL**

1.1 Special Division 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 indicative annual salary as specified in this Section. The salary is inclusive of annual leave loading and no additional leave loading should be paid. The salary is exclusive of other benefits described further below in Parts 4, 5, 6 and 7.

1.3 Chief Executive Officers (CEOs) have been designated a higher salary range within each Band in recognition of the distinction between CEOs with end of line responsibility and non-CEOs in subordinate positions.

1.4 The Tribunal will review the classification of an office when that office becomes vacant and prior to a new appointment being made.

Table 1: Indicative annual salary (inclusive of annual leave loading) range for the classification of Chief Executive Officers in the Special Division of the Public Service

| Special Division Chief Executive Officers | | |
|---|---------------------|-----------|
| Band | Annual Salary Range | |
| Band 1 | \$336,218 | \$475,000 |
| Band 2 | \$277,702 | \$336,218 |
| Band 3 | \$213,891 | \$277,702 |
| Band 4 | \$183,285 | \$213,891 |

Table 2: Indicative annual salary (inclusive of annual leave loading) range for the classification of non-Chief Executive Officers in the Special Division of the Public Service

| Special Division non-Chief Executive Officers | | |
|---|---------------------|----------------|
| Band | Annual Salary Range | |
| Band 1 | Not applicable | Not applicable |
| Band 2 | \$256,301 | \$302,614 |
| Band 3 | \$206,711 | \$256,301 |
| Band 4 | \$165,000 | \$206,711 |

PART 3: SALARY

SECTION 1: OFFICES AND OFFICE HOLDERS

1.1 The salaries (inclusive of annual leave loading) specified in this Part are based on the offices being of a full-time nature. Where a part-time appointment is made, the salary shall be payable on a pro rata basis in accordance with the proportion of full-time hours worked subject to the employment being at least half of the full-time rate.

Table 3: Special Division CEOs

| Office | Department or Agency | Band | Office Holder | Annual Salary |
|----------|---|------|---------------|---------------|
| Director | Gascoyne Development Commission | 4 | S Webster | \$195,000 |
| Director | Goldfields-Esperance Development Commission | 4 | R Hicks | \$183,285 |
| Director | Great Southern Development Commission | 4 | B Manning | \$183,285 |
| Director | Mid West Development Commission | 4 | G Treasure | \$184,787 |
| Director | Kimberley Development Commission | 4 | J Gooding | \$183,285 |
| Director | Peel Development Commission | 4 | M Teede | \$183,285 |
| Director | South West Development Commission | 4 | D Punch | \$183,285 |
| Director | Wheatbelt Development Commission | 4 | W Newman | \$183,285 |

PART 4: MOTOR VEHICLE BENEFITS

SECTION 1: GENERAL

1.1 In addition to the salary determined for the office holders listed in Part 3 of this Schedule, those office holders have an entitlement to a motor vehicle provided through State Fleet. The notional value of the lease (and all associated costs) per annum shall be the relevant value set out in Section 4 of this Part.

1.2 The vehicle (being part of the Government-owned State Fleet) should be managed in accordance with the policies and conditions established and amended from time to time by the Department of Finance (the effective owner of the State Fleet). Applicable terms and conditions are currently set out in the document "State Fleet—Agency General Agreement".

1.3 A person holding more than one Special Division or Prescribed Office, shall be entitled to a motor vehicle or cash in lieu of a motor vehicle for one such office only, being the office classified or remunerated at the highest level.

1.4 An individual accessing a vehicle under this Part shall take due care of the condition and security of the vehicle. This includes responsibility for ensuring the vehicle is regularly serviced and maintained at government expense according to the manufacturer's recommended specifications, and making arrangements for off-street parking at home, whenever practicable, with appropriate security precautions taken at all times. Any theft or damage should be reported to the Fleet Manager.

1.5 Motor vehicles leased for office holders under this determination or a previous determination of the Tribunal shall not be changed or cash in lieu taken prior to the expiration of the lease.

1.6 While the vehicle may be used anywhere in Western Australia at no cost to the individual, if the vehicle is driven interstate, the individual is liable for the cost of fuel and oil while interstate. Furthermore, if used outside of Western Australia, the custodian must be in the vehicle at all times that it is being used.

1.7 Should the officer choose not to use the vehicle, supplied through State Fleet, for business, or for travelling to and from work, but allows and authorises the vehicle to be used for private use during business hours by another family member or person, he/she is not entitled to access another government vehicle for his/her private use, including transport to and from work.

1.8 Should the officer choose to take cash in lieu of a motor vehicle supplied through State Fleet, it is not the Tribunal's intent that this should result in additional government expense or an increase in the government fleet to provide transport for the office holder during business hours. The office holder is not entitled to claim a mileage allowance for use of their private vehicle for work purposes. Neither is he or she entitled to access another government vehicle for their personal use including transport to and from work.

SECTION 2: DETERMINING THE COST OF THE LEASE AND THE COST TO THE OFFICE HOLDER

2.1 The total lease cost of the chosen vehicle and accessories determined in this section, must be borne by the office holder. This includes the purchase cost of any accessories and the installation cost and removal costs if required, before disposal of the vehicle. No additional costs shall be incurred by the office holder as a result of fluctuations in lease costs during the specified term of the lease.

2.2 Where the total lease and associated costs of a vehicle and accessories in accordance with this determination is less than the relevant motor vehicle benefit determined in this section, the difference in the cost to Government is to be paid fortnightly as part of the office holder's remuneration.

2.3 The method of determining whether an additional contribution must be made by the office holder or the surplus is to be paid to the office holder, shall be based on the notional lease cost to the Government of the vehicle sought (using the formula detailed below), compared with the relevant notional lease value determined for the benefit in this section. The cost at the time of entering into the lease is applicable.

2.4 The notional value of the vehicle benefit must include the lease cost, Fringe Benefits Tax (FBT) and all other operating costs based on the relevant figure of nominated kilometres to be travelled annually. The formula to be adopted in valuing the motor vehicle is—

Value of Motor Vehicle =

$L + R + aD + \text{FBT} + I + \text{LCT}$, where

| | | |
|-----|---|-----------------------------|
| L | = | Lease payments |
| R | = | Registration costs |
| a | = | Running cost per kilometre |
| D | = | nominated annual kilometres |
| FBT | = | Fringe Benefits Tax |
| I | = | Insurance |
| LCT | = | Luxury Car Tax |

2.5 FBT is costed at applicable Australian Taxation Office rates. For the year ending 31 March 2013, FBT is costed at purchase price (including GST) x Statutory fraction x Gross up (2.0647) x FBT rate (0.465).

Fringe Benefits Tax Exempt Agencies: Where an organisation is exempt from FBT in accordance with Commonwealth Government legislation, a notional amount equal to the standard FBT must be added to the cost of the benefit.

2.6 Each lease should be tailored to achieve the most cost-effective arrangement based on individual usage patterns.

SECTION 3: CHOICE OF MOTOR VEHICLE

3.1 Where an office holder elects to access a leased vehicle under State Fleet arrangements, he/she may choose any vehicle and accessories in the relevant Western Australian Government Common Use Contract or an "off contract" vehicle and accessories available under Government leasing arrangements in accordance with the following criteria.

3.2 Vehicles with V8 engines are not included. Supercharged and turbo-charged engines with a capacity greater than 3.0 litres are not included.

3.3 Office holders unable to lease their choice of vehicle within the scope of the arrangements set out in this determination should elect to make their own arrangements to meet their personal transport needs.

SECTION 4: CASH VALUE OF THE MOTOR VEHICLE BENEFIT

4.1 Where a person elects not to be provided with a motor vehicle through State Fleet he/she is entitled to the cash value being paid fortnightly as additional remuneration. The relevant cash value is to be determined in accordance with the following criteria:

| Salary of Office Holder | Cash Value |
|----------------------------------|---------------|
| Below \$238,641 p.a. | \$20,300 p.a. |
| Equal to or above \$238,641 p.a. | \$22,650 p.a. |

4.2 The cash value of a motor vehicle and the notional value of the motor vehicle benefit shall be calculated on a pro rata basis in accordance with the proportion of full-time hours worked by an office holder, subject to the employment being at least half of the full-time rate.

PART 5: DISTRICT AND TRAVEL ALLOWANCES

SECTION 1: DISTRICT ALLOWANCES

1.1 Officer holders listed in this Section shall be entitled to applicable district allowances in accordance with the *District Allowance (Government Officers) General Agreement 2010* and relevant provisions of the *Public Service Award 1992* as at the date of this determination. Applicable FBT shall be payable by the relevant department or agency.

1.2 For the purposes of calculating the standard rate, dependant rate or partial dependant rate applicable under the *District Allowance (Government Officers) General Agreement 2010*, the standard rates set out in Table 4 below shall form the basis of the calculations unless and until determined otherwise by the Tribunal.

Table 4: District Allowances

| Office | Department or Agency | Office Holder | Annual District Allowance (Standard Rate) |
|----------|---|---------------|---|
| Director | Gascoyne Development Commission | S Webster | \$3,356 |
| Director | Goldfields-Esperance Development Commission | R Hicks | \$3,164 |
| Director | Kimberley Development Commission | J Gooding | \$11,227 |
| Director | Mid West Development Commission | G Treasure | \$857 |

SECTION 2: TRAVEL ALLOWANCES

1.3 Office holders listed in this Section are entitled to travel allowances in accordance with the *Public Service Award 1992* (as at the date of this determination) and described in clause 23(10) of that Award as "Annual Leave Travel Concessions".

1.4 For the purposes of determining the amount claimable under this Section and the relevant clause of the Award, the maximum amount for each office holder shall be the amount specified Table 5 below unless and until determined otherwise by the Tribunal. Applicable FBT shall be payable by the relevant department or agency.

1.5 For the purposes of the Tribunal determining the maximum annual travel allowance which is claimable, each office holder must declare to the Tribunal the number of their dependants who do not have an equivalent travel entitlement of any kind. A declaration of this kind must be made when the office holder is appointed and whenever there is a change to the number of dependents. The meaning of dependant in this Section of the determination is the same as the meaning given in clause 23(10)(c) and (d) of the *Public Service Award 1992* as at the date of this determination.

Table 5: Travel Allowances

| Office | Department or Agency | Office Holder | Maximum Annual Travel Allowance |
|----------|---|---------------|---------------------------------|
| Director | Gascoyne Development Commission | S Webster | \$1,852 |
| Director | Goldfields-Esperance Development Commission | R Hicks | \$1,852 |
| Director | Kimberley Development Commission | J Gooding | \$8,367 |

PART 6: HOUSING AND UTILITIES**SECTION 1: RENTAL SUBSIDIES**

1.1 Office holders identified in this section shall be entitled to applicable Government Regional Officers Housing (GROH) rental subsidies which are aligned generally to Department of Housing policies including the *Tenant Rent Setting Framework Policy (August 2006)*.

1.2 The rental subsidy shall be payable to GROH for the benefit of the office holders up to the specified value in Table 6, based on rates calculated using the Department of Housing 2012-2013 on-line rent calculator which can be accessed at—

http://www.housing.wa.gov.au/currenttenants/governmentemployeehousing/rentcalculation/Pages/groh_rent_calc.aspx.

1.3 Applicable FBT shall be paid by the office holder's department or agency.

1.4 Where the office holder's tenancy is for a portion of the year, the maximum annual rental subsidy shall apply on a pro rata basis.

1.5 Office holders are to advise the Tribunal of GROH rent adjustments as soon as practicable after they occur. The Tribunal will ordinarily take these rent adjustments into account when conducting the annual review of remuneration for Special Division and Prescribed Office holders and when a new office holder is appointed.

Table 6: Rental Subsidies

| Office | Department or Agency | Office Holder | Maximum Annual Rental Subsidy |
|----------|--|---------------|-------------------------------|
| Director | Gascoyne Regional Development Commission | S Webster | \$13,000 |
| Director | Mid West Development Commission | G Treasure | \$15,100 |

SECTION 2: HOME OWNERSHIP SUBSIDIES

2.1 Office holders identified in this section shall be entitled to applicable Government home loan subsidies which are aligned generally to the Department of Housing's *Home Ownership Subsidy Scheme for Government Employees in Regional Western Australia (November 2001)*.

2.2 The home ownership subsidy shall be payable for the benefit of the office holder up to the maximum specified in Table 7 below.

2.3 The subsidy shall be paid in accordance with and for the period specified in the relevant Home Loan Subsidy Agreement between the office holder and their Department or agency identified in Table 7 below.

2.4 Applicable FBT shall be paid by the office holder's department or agency.

Table 7: Home Ownership Subsidies

| Office | Department or Agency | Office Holder | Maximum Annual Home Ownership Subsidy |
|----------|----------------------------------|---------------|---------------------------------------|
| Director | Kimberley Development Commission | J Gooding | \$9,100 (\$175 per week) |

SECTION 3: ELECTRICITY SUBSIDIES

3.1 Office holders listed in this Section shall be entitled to claim electricity subsidies as specified in Table 8 below. These electricity subsidies are based generally on the air conditioning subsidies applicable under the Department of Housing's *Government Housing Air Conditioning Policy (October 2001)*.

3.2 Claims made under this Section must be accompanied by a tax invoice for electricity utilised at the residence ordinarily occupied by the office holder within the relevant Development Commission region where the office holder's department or agency is located.

3.3 A claim for an electricity subsidy made under this Section must be submitted within ninety days of the due payment date of the tax invoice. In the case of exceptional circumstances, the administering authority may approve an extension of time to submit a claim. Any application made to the administering authority seeking an extension of time to submit a claim under this Section, should be in writing and explain the exceptional circumstances leading to the need for extra time to submit a claim. Exceptional circumstances for which an extension will be approved, will only be where the office holder has demonstrated that the claim submission has been delayed for reasons outside the office holder's control or in circumstances where ill health or bereavement has prevented a claim being made on time. Where delays in submitting a claim have been due to administrative oversight or negligence, the Tribunal does not regard these as circumstances appropriate to grant an extension of time to submit a claim. Where a claim is made after ninety days and no extension has been granted, payment against the claim will not be made.

3.4 Applicable FBT shall be paid by the office holder's department or agency.

Table 8: Electricity Subsidies

| Office | Department or Agency | Office Holder | Maximum Annual Electricity Subsidy |
|----------|----------------------------------|---------------|------------------------------------|
| Director | Gascoyne Development Commission | S Webster | \$1,771 |
| Director | Kimberley Development Commission | J Gooding | \$2,896 |

PART 7: SUPERANNUATION ENTITLEMENTS**SECTION 1: GENERAL**

1.1 Employer superannuation contributions are payable in accordance with the obligations applicable under the *Superannuation Guarantee (Administration) Act 1992* (Cth), the *State Superannuation Act 2000* and the *State Superannuation Regulations 2001* or the *Fire and Emergency Services Regulations 1986*, as the case may be, unless determined otherwise in this Schedule.

SECTION 2: EXPLANATORY NOTES

2.1 Superannuation contributions to the Gold State Super scheme are based on the concept of remuneration set out in Regulation 5 of the *State Superannuation Regulations 2001*. Contributions to an accumulation scheme, whether a GESB accumulation scheme or a scheme of choice, are determined by the concept of Ordinary Time Earnings (OTE) defined in the *Superannuation Guarantee (Administration) Act 1992* (Cth) and “over OTE items” as defined in the *State Superannuation Regulations 2001*. The Department of Treasury document titled *Ordinary Time Earnings and the Treatment of Allowances and Payments for Superannuation Remuneration Purposes—General Principles* provides useful guidance on this matter. The document can be found on the Department of Treasury web site at—

http://www.treasury.wa.gov.au/cms/uploadedFiles/_Treasury/State_finances/ote_treatment_allowances_payments_superannuation_remuneration_general_principles.pdf?n=1655.

2.2 Superannuation contributions to the Fire and Emergency Services Superannuation Fund are governed by the *Superannuation Guarantee (Administration) Act 1992* (Cth) and the *Fire and Emergency Services Regulations 1986*.

2.3 In accordance with a determination of the Treasurer dated 14 October 1998 pursuant to section 4(4) of the *Government Employees Superannuation Act 1987*, the value of the motor vehicle allowance is not included in the office holder’s remuneration for Gold State superannuation purposes.

Signed at Perth this 22nd day of November 2012.

W. S. COLEMAN AM,
Chairman.

C. A. BROADBENT,
Member.

B. J. MOORE,
Member.

Salaries and Allowances Tribunal