



## REMUNERATION TRIBUNAL

### Determination 2001/22: Principal Executive Office (PEO) Classification Structure and Terms and Conditions

- (i) Pursuant to subsections 5(2A), 7(3D) and 7(4) of the *Remuneration Tribunal Act 1973*, the Remuneration Tribunal has inquired into the classification structure for principal executive offices.
- (ii) This Determination takes effect on and from date of signature.

#### UNDERLYING PRINCIPLES

- 1 Determination Number 15 of 1999 (as amended) is referred to as the Principal Determination.
- 2 The Principal Determination is amended by deleting Clause A6.
- 3 The Principal Determination is amended by inserting a note directly after clause A5 which reads:

#### **"Additional scrutiny**

Subsection 12C(2) of the *Remuneration Tribunal Act 1973* provides that except with the written consent of the Tribunal, an employing body must not determine terms and conditions in respect of a principal executive office that are inconsistent with terms and conditions determined by the Tribunal under s.7(3D) of that Act in respect of the classification to which the office is assigned. Accordingly, an employing body must not determine or adjust terms and conditions (including remuneration) for a PEO if that determination or adjustment is inconsistent with this Determination except with the written consent of the Tribunal. Note that adjustments made by an employing body consistently with clauses B10 and D1 are not inconsistent with this Determination."

#### REMUNERATION AND RELATED MATTERS

- 4 The principal Determination is amended by deleting clause B9 and inserting the following in its place:  

"B9 The value of the compulsory employer superannuation contributions is 15% of the value of the Superannuation Salary as determined in accordance with clause A1 or such lesser amount determined in accordance with paragraphs a, b or c below:

  - a. the amount that is accepted by the Tribunal after submission by the employing body of an actuarial opinion or other evidence acceptable to the Tribunal as being the amount of contribution required to be made to comply with the requirements of the relevant superannuation fund; or
  - b. where employing bodies are required to make compulsory employer superannuation contributions in respect of PEOs to the Commonwealth's Public Sector Superannuation Scheme – the amount that the fund states is the only amount required from the

employing body (provided the amount includes the employer productivity component)<sup>α</sup>: or

- c. where employing bodies make their compulsory employer superannuation contributions in respect of PEOs based on the superannuation guarantee amounts prescribed by the Australian Taxation Office - the relevant amount provided that the relevant superannuation fund does not require any further compulsory employer payments.<sup>α</sup>

<sup>α</sup> In order to value compulsory employer superannuation contributions on this basis, the employing body must hold an actuarial opinion or documentary evidence from the fund which verifies that the fund only requires the relevant amount of contribution from the employing body."

## VARIATION AND OTHER MATTERS

- 5 The principal Determination is amended by deleting clause D1 and inserting the following in its place:

"D1 Where productivity or work value changes can be demonstrated, an employing body may increase or decrease the Total Remuneration of a PEO who is entitled to less than \$270,000 Total Remuneration per year without reference to the Tribunal by up to 5% in the 2001-2002 financial year provided that the application of the increase does not move the office holder outside the parameters of the PEO Band in which he or she is placed.<sup>β</sup>

<sup>β</sup> For the 2002-2003 financial year and each financial year thereafter the Remuneration Tribunal will determine an amount at another time."

Signed this 26 day of September 2001



Richard G Humphry AO  
PRESIDENT



John C Conde AO  
MEMBER



Janet E Grieve  
MEMBER