



## REMUNERATION TRIBUNAL

### **Explanatory Memorandum for Determination 2002/23: Remuneration and Allowances for Holders of Full-Time Public Office**

1. The Remuneration Tribunal has inquired into and determined remuneration and other matters significantly related to remuneration for certain Full-time Public Office Holders, as it is empowered to do by the *Remuneration Tribunal Act 1973* (the Act).
2. This Determination reflects the Tribunal's adoption of a 'total remuneration' approach for office holders. The introduction of total remuneration will provide office holders with flexible and transparent remuneration arrangements.
3. As the Tribunal is now determining all remuneration for office holders, it is no longer appropriate for an employer to approve remuneration or benefits which are inconsistent with the Determination.

#### **Part 1 – General**

4. Part 1 sets out general administrative and technical matters.
5. Clause 1.3 specifies that *Determination 2002/09 - Remuneration and Allowances for Holders of Full-Time Public Office* - will be superseded in relation to offices specified in Table 2A. It is expected that the remainder of offices in Determination 2002/09 will remain covered by that determination until the appropriateness of translating them to the Principal Executive Office structure is settled.
6. In addition, Determinations *1999/11 – Australian Securities and Investments Commission – Remuneration and Allowances*, and *2000/15 – Remuneration and Allowances of the Solicitor-General and the Director of Public Prosecutions* are revoked as remuneration and related matters for these office holders has been included in the Determination.
7. Clause 1.4 defines a number of terms used throughout the Determination.

#### **Part 2 – Remuneration and Related Matters**

8. Part 2 specifies the base salary, total remuneration and personal loadings (which form part of total remuneration) that are applicable to office holders. It introduces scope for salary packaging to occur as well as specifies how superannuation is treated in the total remuneration environment.

9. The new offices of Chief Executive Officer, Australian Crime Commission and Examiner, Australian Crime Commission, have been included in the Determination.
10. Clause 2.1 (and Table 2A) lists the value of office holders' base salary, total remuneration, additional remuneration and travel tier.
11. Office holders' base salary has been increased by the following amounts to reflect wage movements since their last increase:

<b>Office holders previously covered by Determination:</b>	<b>% Increase</b>	<b>Last annual adjustment</b>
2000/15	4.2%	October 2001
1999/11	4.1%	November 2001
2002/09	1.7%	April 2002

12. Remuneration for several offices has been increased to reflect work value relativities.
13. Total remuneration for office holders includes base salary as well as the value of benefits that have been provided to that office by the relevant Minister or the Governor-General.
14. Travel Tiers have not been changed as part of the Tribunal's review.
15. Clause 2.2 specifies the recipients of personal loadings. A number of personal loadings, including loss of tenure loadings, have been reduced or discounted following adjustments to base salary.
16. Additional remuneration for office holders is occupant specific and, unless so determined by the Tribunal, will not apply to subsequent incumbents.
17. Clause 2.3 specifies that the base salary for offices previously covered by Determination 2002/09 includes a component of remuneration in lieu of performance pay.
18. Clause 2.4 specifies that the base salary for the offices listed includes a component in recognition of those offices' geographic location.
19. Clause 2.5 specifies that the base salary for the Vice-Chief of the Defence Force and the Chiefs of Navy, Air Force and Army includes a component in recognition of loss of tenure upon appointment. This was previously paid as a separate loading.
20. Clause 2.6 provides for flexible employment conditions which enable office holders and employers to balance work/life and business requirements by facilitating the pro-rata payment of salary to holders of full-time public offices who, with the approval of their employer, perform the duties of their office on a part-time basis. Prior agreement from the Remuneration Tribunal is required to the rate of remuneration where the proposed hours are less than 60% of the full-time rate.

21. Clause 2.7 provides for flexible remuneration arrangements, with office holders now having access to salary packaging in accordance with their agency's policies and procedures. A minimum of 50% of total remuneration must, however, be taken as salary.
22. Clause 2.8 specifies that salary for superannuation purposes shall comprise base salary plus any additional loading, where specified in Table 2A.
23. Clause 2.9 specifies that for the purposes of this determination, where an office holder is a member of either the CSS or PSS superannuation schemes, the notional amount that is to be deducted from their total remuneration for compulsory employer superannuation contributions is 15%. Where the office holder is a member of an alternate scheme, the amount deducted is to be that which the employer is liable to make.
24. Clause 2.10 specifies that where an agency vehicle is provided for private use, the full cost to the employer, including parking and Fringe Benefits Tax, is to be deducted from the office holder's total remuneration. The deduction can be reduced for business usage (if any) based on the 'cents per kilometre' method using log books over a representative period of 12 weeks.

### **Part 3 – Allowances**

25. Part 3 specifies the individual allowances that are applicable to office holders and do not form part of total remuneration.
26. Clause 3.1 specifies accommodation allowances and the conditions associated with these allowances.
27. Clause 3.2 specifies travel fares allowances and the conditions associated with these allowances.
28. Clause 3.3 specifies remote localities allowances and the conditions associated with these allowances.

### **Part 4 – Official Travel**

29. Part 4 sets out the travelling allowance provisions for office holders. This Part reflects provisions (with minor editing) that were contained in Determination 2002/09.

### **Part 5 – Recreation Leave**

30. Part 5 sets out the recreation leave entitlement for office holders.
31. Clause 5.1 specifies that the provisions of *Determination 2002/20 – Recreation Leave for Full-Time Holders of Relevant Offices* – will continue to apply to office holders to the extent set out in Determination 2002/20.
32. Clause 5.2 specifies additional recreation leave, over and above that detailed in Determination 2002/20, applies for certain ATSIC Commissioners.

## Part 6 – Compensation for Loss of Office

33. Part 6 sets out the entitlement for compensation for loss of office.
34. Clause 6.1 specifies that the provisions of *Determination 1992/11 – Compensation for Loss of Office* – will continue to apply to office holders covered by the Determination.

Authority: Sub-sections 7(3) and 7(4)  
of the *Remuneration Tribunal Act 1973*