

SALARIES AND ALLOWANCES ACT 1975

Government Entities Tribunal Determination No. 1 of 2021

PREAMBLE

1. Under section 7C of the *Salaries and Allowances Act 1975* (the Act) the Tribunal must “determine the minimum and maximum amounts of remuneration to be paid or provided to executive officers of Government entities”.
2. Section 7C was included in the Act in 2016 and commenced in August 2018. However, before the Tribunal issued its first determination under section 7C, the Act was further amended, in February 2018, with inclusion of section 10F, which:
 - prohibited the Tribunal from issuing any increases in remuneration until 1 July 2021; and
 - required the Tribunal to “determine the amount of remuneration to be paid or provided to executive officers of Government entities”.
3. The provisions of section 10F will expire on 1 July 2021.
4. A Chief Executive Officer position is only subject to the Tribunal’s determinations following the expiry of a contract that was in place when section 7C commenced.

DECISION

5. The Tribunal has extensively reviewed the Government Trading Enterprises (GTE) environment and has developed a three band model for remuneration.
6. The remuneration ranges account for the increase in the Commonwealth Superannuation Guarantee to 10%.
7. From 1 July 2021, respective GTE boards will be required to set or adjust remuneration of their CEOs within these bands.
8. Under the provisions of the Act, the Tribunal will, from this point forward, conduct annual reviews of the remuneration framework.

PART 1: INTRODUCTORY MATTERS

This Part deals with some matters that are relevant to the determination generally.

1.1 Short title

This determination may be cited as the *Government Entities Tribunal Determination No. 1 of 2021*.

1.2 Commencement

This Determination comes into operation on 1 July 2021.

1.3 Content and intent

- (1) This Determination is issued pursuant to section 7C of the *Salaries and Allowances Act 1975* (the Act) and applies to Executive Officers of Government entities specified in Schedule 2 of the Act.
- (2) The total remuneration package specified in this Determination includes all components of remuneration provided to an Executive Officer.
- (3) This Determination fulfils the Tribunal's obligations under section 7C of the Act and applies to offices identified in Schedule 2 of the Act that have been prescribed in regulations.
- (4) In accordance with section 10A of the Act, decisions by the Tribunal in relation to section 7C have considered the:
 - (a) *Public Sector Wages Policy Statement 2019*, issued on 5 July 2019; and
 - (b) financial position and fiscal strategy of the State, as stated in the Government Mid-year Financial Projections Statement of December 2020

1.4 Terms used

In this determination, unless the contrary intention appears -

Band means the minimum and maximum amounts of remuneration set in Part 2 of this Determination.

Executive Officer has the meaning provided in section 7C(1) and (4) of the Act.

Government Entity means an entity specified in column 1 of Schedule 2 of the Act.

Remuneration has the meaning provided in section 4 of the Act.

Tribunal means the Salaries and Allowances Tribunal.

1.5 Pro rata payments

- (1) The total remuneration package for Executive Officers specified in this determination is based on a person serving in the office on a full-time basis. The relevant amount shall be payable on a pro rata basis when the position is undertaken on a part time basis.
- (2) The total remuneration package specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

1.6 References to Dates

In this Determination, a reference to “a year” or “per annum” relates to a financial year.

1.7 Government Entity Band allocations

Unless the contrary intention appears, government entities in this determination are allocated to the bands as set out in Part 3 of this determination.

PART 2: CLASSIFICATION FRAMEWORK FOR EXECUTIVE OFFICERS OF GOVERNMENT ENTITIES

This Part deals with the classification framework applicable to Executive Officers under section 7C of the Act.

2.1 GENERAL

- (1) This Part sets the minimum and maximum amounts of remuneration for each Band in which an Executive Officer is classified.
- (2) A Government Entity must ensure the total remuneration package provided to its Executive Officer complies with Band ranges specified in 2.2(1), according to the Band classification of the office specified in Part 3.
- (3) The Tribunal, from time to time, may review the Band classification of an Executive Officer.

2.2 BAND RANGES

- (1) The Band ranges for annual total remuneration packages provided to Executive Officers in Government Entities are as follows

Band	Total Remuneration Range	
Band 1	\$475,000	\$700,000
Band 2	\$300,000	\$529,000
Band 3	\$200,000	\$387,000

- (2) The total remuneration package provided to an Executive Officer must be within the amounts specified in 2.2(1), according to the Band classification of the office specified in Part 3.

PART 3: TOTAL REMUNERATION PACKAGE

This Part deals with the remuneration payable to Executive Officers.

3.1 GENERAL

- (1) Executive offices have been classified in Bands listed in 3.2.
- (2) Each Band classification (Band 1 to Band 3) has a corresponding Total Remuneration Package (TRP) range, as specified in Part 2.
- (3) A TRP must comprise all components of remuneration provided as a reward for service, which typically includes, but is not limited to, base salary, superannuation and a private motor vehicle allowance.
- (4) The only exclusions from the TRP are:
 - (a) employer obligations, such as professional development relevant to the executive officer's role, reimbursement for work expenses or the cost of recruitment and relocation; and
 - (b) items considered to be a "tool of trade" necessary to undertake the duties of an executive officer and which are not provided as a reward for service.

3.2 EXECUTIVE OFFICER REMUNERATION

- (1) Executive Officers in Government entities are classified in Bands as follows -

Government Entity	Band Classification
Bunbury Water Corporation (Aqwest)	3
Busselton Water Corporation	3
Fremantle Port Authority	1
Gold Corporation (Perth Mint)	1
Horizon Power	2
Kimberley Port Authority	3
Mid-West Ports Authority	3
Pilbara Ports Authority	1
Racing and Wagering WA	2
Southern Ports Authority	3
Synergy	1
WA Land Authority	2
WA Treasury Corporation	2
Water Corporation	1
Western Power	1

- (2) Notwithstanding 3.2(1), the maximum total remuneration package to be provided to the Executive Officer of Horizon Power is \$563,175 until the office is vacated by the current officeholder.

Signed on 24 June 2021.

M Seares AO

B A Sargeant PSM

CHAIR

MEMBER

SALARIES AND ALLOWANCES TRIBUNAL