

SALARIES AND ALLOWANCES ACT 1975

Government Trading Entities Determination No. 1 of 2024

PREAMBLE

1. Under section 7C of the *Salaries and Allowances Act 1975* (the Act) the Salaries and Allowances Tribunal (the Tribunal) must “determine the minimum and maximum amounts of remuneration to be paid or provided to executive officers of Government entities”.
2. A Chief Executive Officer (CEO) position is only subject to the Tribunal’s determinations following the expiry of a contract that was in place when section 7C commenced.
3. From 1 July 2021, respective Government Trading Entity (GTE) boards have been able to set or adjust remuneration of their CEOs within the range of the allocated bands.
4. In accordance with section 10A, this determination has considered the:
 - *Public Sector Wages Policy Statement 2023* issued on 18 December 2023; and
 - financial position and fiscal strategy of the State, as stated in the *Government Mid-year Financial Projections Statement 2023-24* from December 2023.

CONSIDERATIONS

5. During the 2024 inquiry, the Tribunal has examined the current economic environment, noting the *Government Mid-year Financial Projections Statement 2023-24* and the new Public Sector Wages Policy issued on 18 December 2023 with the change to a bargaining model and the key government factors in bargaining which are expected to be used and applied by GTEs.
6. When reviewing the remuneration provided to CEO the Tribunal considers interstate and private sector comparators. However, fundamentally the majority of those positions are not within the public sector sphere, and it is within the context of the public sphere that the Tribunal’s decisions are primarily based.
7. The Tribunal also examined specific issues raised in submissions which included requests for an increase in classification and requests to link the remuneration bands to third party remuneration survey data.

DECISIONS

8. The Tribunal has determined that CEO remuneration Bands be increased by 4%. The Tribunal considered this appropriate given the economic conditions, the wider public service framework and the mandatory 0.5% superannuation increase from July 2024.
9. While the Tribunal has the power to set remuneration bands for CEOs, it is each GTE’s Board which must set the remuneration within their respective bands. Any increase

within the band must be determined by each Board through its own assessment. The Tribunal noted that a number of CEO positions are not being remunerated at or near the top of the relevant Band, which means the boards have room to move on salary for these positions.

10. The Tribunal has reviewed the classification of all GTEs, with emphasis on those that made a submission. The Tribunal has maintained all existing classifications. The Tribunal's classification system provides significant overlap between bands. For example, a Band 2 GTE can remunerate their CEO up to the 33rd percentile of the Band 1 range which may be appropriate. An increase to a higher classification would imply access to a higher level of the respective range which the Tribunal has determined.
11. The Tribunal has determined that changes to an entity's scope or responsibilities presented in the submissions received are covered within existing band classifications.
12. The Tribunal considered an increase to the classification of the Kimberley Ports Authority. The Tribunal has determined that an increase to Band 2 is not warranted at this time. However, the Tribunal has recognised the significant regional and isolation factors that affect the ability of the GTE to attract and retain CEOs located within the Kimberley Region.
13. The Tribunal provides for various regional allowances for officers located in the Kimberley region such as Special Division officers and local government CEOs. The Tribunal has therefore decided to establish a regional allowance for the Kimberley Ports Authority where a CEO is based within the Kimberley Region. A CEO based in Perth would receive the standard Band 3 range.
14. The 4% increase will be applied to the total remuneration package payable to the Chief Executive Officer, Horizon, whose specific remuneration is determined by the Tribunal.
15. The Tribunal considered requests to substantially increase the upper levels of Band 1 and to link the ranges to third party remuneration data. The Tribunal did not agree with this assertion. Firstly, this would be an abnegation of the Tribunal's responsibilities by linking the remuneration to outside organisations. Secondly, while the Tribunal does not currently have access to the data noted in the submissions, it appears to be heavily weighted to interstate and private sector data. Thirdly, creating such linkages makes it difficult for the Tribunal to respond to individual circumstances. Finally, the data provided was only relevant to a portion of the GTEs within the Tribunal's jurisdiction.
16. While the Tribunal does consider remuneration data from interstate and private sectors relevant to the various industries the GTEs under the Tribunal's jurisdiction operate in, the Tribunal's framework was developed within the context of the wider public sector sphere. The Tribunal has determined to maintain this approach in maintaining the existing framework structure.

The Determination will now issue.

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 Trading Entities Determination No. 1 of 2024*.

1.2 Commencement

This Determination comes into operation on 1 July 2024.

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 2023*, issued on 18 December 2023; and
 - (b) financial position and fiscal strategy of the State, as stated in the *Government Mid-year Financial Projections Statement 2023-24* from December 2023.

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	\$526,629	\$776,084
Band 2	\$332,608	\$609,781
Band 3	\$243,912	\$443,477

- (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 range, as specified in Part 2.
- (3) A total remuneration package 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 total remuneration package 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 Ports Authority	3
Mid West Ports Authority	2
Pilbara Ports Authority	1
Racing and Wagering WA	2
Southern Ports Authority	2
Synergy	1
WA Land Authority	2
WA Treasury Corporation	2
Water Corporation	1
Western Power	1

- (2) Notwithstanding 3.2(1), the total remuneration package for the Chief Executive Officer, Horizon is \$624,387 until the current office holder vacates the office.
- (3) Notwithstanding 3.2(1), the total remuneration package for the Chief Executive Officer, Kimberley Ports Authority, who is based within the Kimberley region, is \$293,912 - \$493,447. This is in recognition of regional and isolation factors which may affect the attraction and retention of a CEO to the Kimberley Region.

Signed on 3 April 2024.

M Seares AO
CHAIR

Hon J Day
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL