

**SALARIES AND ALLOWANCES TRIBUNAL  
REPORT UNDER SECTION 7A OF THE *SALARIES AND ALLOWANCES ACT 1975***

**LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS**

In accordance with Section 7A of the *Salaries and Allowances Act 1975* (“the Act”), the Salaries and Allowances Tribunal is required to “inquire into and make a report containing recommendations as to the remuneration to be paid or provided to Chief Executive Officers (CEOs) of local governments.”

For the Tribunal to meet its obligation under Section 7A of the Act, it must ensure that not more than one year elapses between one report and the next.

**BACKGROUND**

The Tribunal last issued its general report on the remuneration of local government CEOs on 25 June 2010.

The recommendations are made for the purpose specified in section 5.39(7) of the *Local Government Act 1995*, that is, “to be taken into account by the local government before entering into, or renewing, a contract of employment with a CEO”.

In its 2010 report, the Tribunal noted that its inquiry was being conducted at a time when the Western Australian Government was implementing a local government reform agenda that includes voluntary amalgamations and resource sharing arrangements between local governments. This process is continuing with one amalgamation due to take effect from 1 July 2011 and various local governments entering into transition arrangements with a view to amalgamating at some future date. Consequently, the outcomes of the local government reform process will continue to be taken into account in future reports of the Tribunal.

**CURRENT ENQUIRY**

In discharging the responsibilities given to it by the Parliament, the Tribunal has in the context of its current enquiry adopted the following approach. The Tribunal has:

- advertised for public submissions;
- written to local governments and regional councils inviting submissions about their CEO positions;
- surveyed local government CEOs in respect of current remuneration packages;
- collected a wide range of data on local governments;
- interviewed a number of CEOs, Presidents and representatives of Local Government organisations;
- considered relevant labour market and economic data; and
- sought advice from its Statutory Adviser.

Tribunal member Mr Brian Moore declared an interest in the remuneration of the CEO of the Shire of Bridgetown-Greenbushes and abstained from any deliberations in relation to the remuneration band allocation for that local government.

## **Public Submissions**

An advertisement calling for public submissions to the Tribunal's enquiry was placed in *The West Australian* newspaper on Friday, 11 March 2011 with a closing date of Friday, 6 May 2011.

Two individual submissions were received, one from a member of the public representing the 'Concerned Citizens for Good Governance Inc' who did not agree with the "automatic increase" in the salaries of local government CEOs while other sections of the community were under financial stress. The other submission was from an elected councillor, who indicated that the present level of remuneration for local government CEOs was adequate.

## **Invitations to Local Governments and Regional Councils**

On Monday, 21 March 2011, the Tribunal wrote by email to all Mayors, Presidents and Chairpersons of local governments and regional councils inviting submissions related to particular issues and characteristics relevant to the remuneration paid to their chief executive officers. The closing date for submissions was Friday, 6 May 2011.

In making submissions, local governments were provided with a template submission format to ensure that the Tribunal was able to capture data on a broad range of significant issues including:

- Major growth and development;
- Significant social and economic issues;
- Significant demand to service and support non-resident needs;
- High impact environmental management issues and responsibilities;
- Greater diversity of services delivered than normally provided by similar sized local governments;
- Recruitment issues; and
- Other distinguishing features.

Fourteen submissions were received from local governments, namely the:

- Shire of Dardanup;
- Shire of Dundas;
- Shire of Sandstone;
- Shire of Northampton;
- Shire of Pingelly;
- Shire of Broome;
- City of Cockburn;
- Shire of Gingin;
- City of Armadale;
- Shire of Boddington;
- Shire of East Pilbara;
- City of Geraldton-Greenough;
- Shire of Nannup; and
- Shire of Leonora.

An additional submission was received from the Western Australian division of Local Government Managers Australia.

## **Remuneration Survey**

To assist the Tribunal, the Department of Local Government (DLG) conducted a survey of current remuneration or “total reward packages” provided to all local government CEOs. The 2011 survey included the remuneration paid to regional local government CEOs.

## **Local Government Population, Expenditure and Staff Levels**

The Tribunal has requested and received the following data from the DLG:

- Population as at 31 March 2011 (*ABS Catalogue 3218.0*);
- Total FTEs 2009/10;
- Operating Expenditure 2009/10;
- 3 year averaged capital expenditure (2007/08 to 2009/10); and
- Annual average population growth 2001 to 2010.

## **Labour Market and Economic Data**

Relevant labour market and economic data were sought from a variety of sources. These included the Wage Price Index, Average Weekly Earnings, the Consumer Price Index and Total Employment Growth. Economic forecasts at a State level were also considered.

## **Advice from Statutory Advisor**

The Tribunal sought advice from its statutory advisor, Ms Jennifer Mathews, Director General, DLG, who has been appointed by the Premier in accordance with section 10(4)(c) of the Act to assist the Tribunal in its enquiries as they relate to the remuneration of local government CEOs. Ms Mathews provided advice on a range of matters including current issues affecting local governments, changes to local government areas or positions and progress on amalgamations in the context of the Government’s reform process.

## **CONSIDERATIONS**

In the context of its current enquiry, the Tribunal considered all CEO positions in local governments and regional councils, all submissions, work value assessments on the roles of regional local government CEOs, advice from the Tribunal’s Statutory Adviser, data on the labour market and the economy, and remuneration structures for other classes of senior public sector offices.

### **Band Allocation Model**

The model applied by the Tribunal in recommending remuneration bands was renewed with fresh data related to the key parameters of population, expenditure and numbers of staff employed. The Tribunal also sought data in relation to its market position to assist in refining its remuneration band model.

### **Submissions**

Of the 15 written submissions received from local governments, 11 sought increases in their CEO’s remuneration band allocation, three provided relevant information or

proposed a general increase for all local government CEOs and one provided information about the work of local government CEOs and commented on the Tribunal's current evaluation criteria.

The Tribunal took into account the submissions.

### **Local Governments**

On the basis of the data collected by the Tribunal and information provided in submissions, the Tribunal identified those local governments with the potential to be allocated to a different remuneration band from their existing band allocation. Further analysis was undertaken and advice was considered in respect of these local governments.

The Tribunal determined that adjustments would be made to the recommended remuneration bands for 11 local governments characterised principally by sustained expenditure growth, increasing population and significant infrastructure development.

### **Regional Local Governments**

There are currently 11 regional local governments constituted under the *Local Government Act*:

- Bunbury- Harvey Regional Council;
- Eastern Metropolitan Regional Council;
- Mid West Regional Council (formerly Wildflower Country Regional Council);
- Mindarie Regional Council;
- Murchison Regional Vermin Council;
- Pilbara Regional Council;
- Rivers Regional Council (formerly South East Metropolitan Regional Council);
- South Metropolitan Regional Council;
- Tamala Park Regional Council;
- Western Metropolitan Regional Council; and
- Yarra Yarra Catchment Regional Council.

In 2010 the Tribunal has been informed that the CEOs of the Murchison Regional Vermin Council, Pilbara Regional Council and the Western Metropolitan Regional Council were not in receipt of remuneration. However, the Tribunal has recently been informed that the CEOs of the Pilbara Regional Council and the Western Metropolitan Regional Council are now in receipt of remuneration. Accordingly, the Tribunal has recommended remuneration bands for these positions.

Some regional local governments employ a part-time CEO, however the Tribunal's recommended remuneration band for these positions is based on a full-time role. It is expected that part-time CEOs would receive a proportion of the remuneration reflected in the recommended band.

Using the work value assessments undertaken by Mercer (Australia) Pty Ltd ('Mercer') in 2009 as a base line and after consideration of a range of other data relating to the scope of the CEO positions, the Tribunal has recommended that no change be made to the recommended remuneration bands of the regional local government CEOs.

## Labour Market and Economic Considerations

The State Government reported in the 2011-12 Budget papers that “*Western Australia’s economy is expanding at a stable pace. Conditions in the resources sector are particularly strong, with robust demand from emerging economies and high commodity prices creating a substantial pipeline of investment activity. However, conditions in other sectors of the State’s economy are more subdued.*”

*The overall outlook for growth is positive. Western Australia is in the midst of a major investment cycle... Investment [in] projects will underpin growth in the State’s economy in 2011-12 and 2012-13, with exports becoming the major driver of growth from 2013-14.”<sup>1</sup>*

In the latest Reserve Bank of Australia (RBA) statement on Monetary Policy – May 2011, the RBA stated on domestic activity, “*Growth in domestic demand appears to have been solid over recent months, although growth in aggregate production has been significantly affected by the extreme weather conditions in late 2010 and early 2011. The labour market remains strong and recent surveys suggest that business conditions in the overall economy remain positive.*”<sup>2</sup>

National and global economic events have affected and will continue to affect the labour market in Australia. In reviewing the market position for local government CEOs in Western Australia in its 2010 report, the Tribunal found that its remuneration bands had fallen behind the market position it took in 2006. Despite some gains, this continues to be the case in 2011. An indication of this is the annual average growth in the public sector Wage Price Index (WPI) for Western Australia at 3.6%, which is significantly behind the growth in the Western Australian private and combined sector WPI of 4.3% and 4.1% respectively for the same period.

The Tribunal found that approximately 69 per cent of CEOs were awarded a salary package increase by their Councils and approximately 37 per cent awarded an increase above the increase recommended by the Tribunal in 2010. Approximately 26 per cent of those CEOs who received an increase, had contracts that included a Consumer Price Index (CPI) based increase.

In view of these labour market and economic considerations, the Tribunal has determined that there should be a general increase related to growth in the cost of living.

## Regional Issues

An analysis of the Tribunal’s remuneration survey data indicates that in some regions there is considerable pressure on CEO salary packages resulting in local governments paying above the Tribunal’s recommendation remuneration range.

Local governments within the Pilbara, Mid West and Goldfields-Esperance regions<sup>3</sup> have all reported low percentages of their CEOs being paid within the Tribunal’s recommended remuneration bands (25%, 33% and 44% respectively). These three regions accounted for 18 (33%) of the 54 local governments that reported a CEO

<sup>1</sup> 2011/12 WA State Budget Paper number 3

[http://www.dtf.wa.gov.au/cms/uploadedFiles/State\\_Budget/Budget\\_2011\\_12/2011-12\\_bp3.pdf](http://www.dtf.wa.gov.au/cms/uploadedFiles/State_Budget/Budget_2011_12/2011-12_bp3.pdf)

<sup>2</sup> Reserve Bank of Australia (RBA) statement on Monetary Policy – May 2011

<http://www.rba.gov.au/publications/smp/2011/may/html/index.html>

<sup>3</sup> Based on Regional Development Commission regional boundaries.

remuneration above the Tribunal's recommendation range despite only making up 31 (22%) of the total number of local governments.

The Pilbara, Mid West and Goldfields-Esperance regions share some common characteristics in terms of remote locations, geographically large areas and heavy involvement in the mining industry. These factors appear to be having a significant impact on the remuneration of CEOs in these regions.

Under the Tribunal's Recommendation Report, Part 6 lists a number of remuneration components that the Tribunal has not included in the Total Reward Packages recommended for CEO's. These include an isolation/location allowance, rental subsidies and water/power subsidies all of which might be relevant to local governments in the Pilbara, Mid West and Goldfields-Esperance regions. Currently some local governments may be factoring in an isolation allowance, rental subsidy or water/power subsidy into the CEO remuneration package without allocating or reporting a notional value to the allowances.

The Tribunal is aware that there are a range of regional and remote allowances available to public sector employees in Western Australia and it is reasonable for such allowances to be payable to local government CEOs in appropriate circumstances. In the current remuneration survey of local government CEOs, the Tribunal has not sought information in this regard and it remains unclear the extent to which local governments in regional areas are including as a component of salary, a notional amount that compensates their CEOs for the additional cost of living, climate and isolation associated with living in some remote regional areas of Western Australia.

In considering this issue, the Tribunal proposes to seek further information in 2012 regarding aspects of the remuneration of local government CEOs in remote and regional Western Australia. In the meantime, the Tribunal wishes to highlight that the present recommended remuneration bands have specifically excluded isolation/location allowances, rental subsidies and water/power subsidies. In determining remuneration for their CEOs, local governments may wish to consider whether any proportion of their CEOs' salaries are intended to address issues associated with cost of living, isolation and climate in remote regions. As stated in Part 6 of the following Schedule, "*The payment of these benefits, where such payment is judged to be fair, not excessive and transparent, may be considered appropriate, but such payments should not be used to artificially inflate the employee's Total Reward Package.*"

### **Remuneration Bands**

During the course of the current inquiry, the Tribunal was made aware of some of the upward pressure on CEO salaries arising from second tier specialist positions in local governments. For example, the demand for engineers and planners has placed pressure on salaries in our current labour market which has a flow on effect to CEO salaries. Some of this demand is arising from the Western Australian resources sector and affects both metropolitan and regional local governments.

The Tribunal is also mindful of the limited capacity of smaller local governments to pay CEOs salaries within the recommended band structure. These two issues have to be held in tension and the Tribunal seeks to ensure there is sufficient breadth in the salary bands to accommodate local governments whose circumstances differ significantly. This is an issue that the Tribunal wishes to explore further in its next local government inquiry giving consideration to reviewing the number of remuneration bands.

## RECOMMENDATIONS

The Tribunal recommends a general adjustment of 4.1 per cent to the remuneration payable to local government CEOs. This adjustment is consistent with the combined annual average WPI for Western Australia for the year ending March 2011. It represents a modest increase in the cost of living and is also reflective of the current economic outlook.

These variations are reflected in the following schedule.

After consideration of the relevant information and application of its band allocation model, the Tribunal recommends that the following adjustments to band allocations for local governments be made:

- Armadale Band 7 to Band 8;
- Ashburton Band 5 to Band 6;
- Boddington Band 1 to Band 2;
- Broome Band 6 to Band 7;
- Dardanup Band 3 to Band 4;
- Gnowangerup Band 1 to Band 2;
- Greater Geraldton Band 7 to Band 8;
- Kalamunda Band 6 to Band 7;
- Katanning Band 2 to Band 3;
- Port Hedland Band 6 to Band 7;
- Wyndham-East Kimberley Band 5 to Band 6;

In addition, after consideration of the factors applicable to regional local government CEOs, the Tribunal recommends the following new salary band allocations:

- Pilbara Band 1; and
- Western Metropolitan Band 1.

In considering these recommendations, local governments are referred to section 5.39(7) of the *Local Government Act 1995*.

The Tribunal recommends that with effect from 1 July 2011 the Total Reward Package paid or provided to local government and regional local government CEOs be as set out in the attached Schedule.

Signed at Perth this 24th day of June 2011.

W S Coleman AM  
CHAIRMAN

C A Broadbent  
MEMBER

B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL



## SCHEDULE

### PART 1 - LOCAL GOVERNMENT TOTAL REWARD PACKAGE

<b>BAND</b>	<b>TOTAL REWARD PACKAGE</b>	<b>NUMBER OF LOCAL GOVERNMENTS</b>
Band 1	\$113,803 - \$153,934	26
Band 2	\$126,980 - \$172,502	39
Band 3	\$140,158 - \$189,871	23
Band 4	\$150,939 - \$204,845	5
Band 5	\$165,314 - \$223,414	8
Band 6	\$183,284 - \$247,971	8
Band 7	\$203,648 - \$275,524	15
Band 8	\$222,216 - \$300,081	13
Band 9	\$241,382 - \$327,034	3

### PART 2 - LOCAL GOVERNMENT CLASSIFICATIONS

<b>LOCAL GOVERNMENT *</b>	<b>BAND</b>	<b>TOTAL REWARD PACKAGE</b>
Albany	7	\$203,648 - \$275,524
Armadale	8	\$222,216 - \$300,081
Ashburton	6	\$183,284 - \$247,971
Augusta-Margaret River	5	\$165,314 - \$223,414
Bassendean	5	\$165,314 - \$223,414
Bayswater	8	\$222,216 - \$300,081
Belmont	7	\$203,648 - \$275,524
Beverley	2	\$126,980 - \$172,502
Boddington	2	\$126,980 - \$172,502
Boyup Brook	2	\$126,980 - \$172,502
Bridgetown-Greenbushes	3	\$140,158 - \$189,871
Brookton	2	\$126,980 - \$172,502
Broome	7	\$203,648 - \$275,524
Broomehill - Tambellup	2	\$126,980 - \$172,502
Bruce Rock	2	\$126,980 - \$172,502
Bunbury	7	\$203,648 - \$275,524
Busselton	7	\$203,648 - \$275,524
Cambridge	7	\$203,648 - \$275,524
Canning	8	\$222,216 - \$300,081
Capel	5	\$165,314 - \$223,414
Carnamah	2	\$126,980 - \$172,502
Carnarvon	5	\$165,314 - \$223,414

Chapman Valley	2	\$126,980 - \$172,502
Chittering	3	\$140,158 - \$189,871
Claremont	4	\$150,939 - \$204,845
Cockburn	8	\$222,216 - \$300,081
Collie	3	\$140,158 - \$189,871
Coolgardie	3	\$140,158 - \$189,871
Coorow	2	\$126,980 - \$172,502
Corrigin	2	\$126,980 - \$172,502
Cottesloe	3	\$140,158 - \$189,871
Cranbrook	2	\$126,980 - \$172,502
Cuballing	1	\$113,803 - \$153,934
Cue	1	\$113,803 - \$153,934
Cunderdin	2	\$126,980 - \$172,502
Dalwallinu	2	\$126,980 - \$172,502
Dandaragan	3	\$140,158 - \$189,871
Dardanup	4	\$150,939 - \$204,845
Denmark	3	\$140,158 - \$189,871
Derby-West Kimberley	6	\$183,284 - \$247,971
Donnybrook-Balingup	3	\$140,158 - \$189,871
Dowerin	1	\$113,803 - \$153,934
Dumbleyung	1	\$113,803 - \$153,934
Dundas	1	\$113,803 - \$153,934
East Fremantle	3	\$140,158 - \$189,871
East Pilbara	6	\$183,284 - \$247,971
Esperance	6	\$183,284 - \$247,971
Exmouth	3	\$140,158 - \$189,871
Fremantle	8	\$222,216 - \$300,081
Gingin	4	\$150,939 - \$204,845
Gnowangerup	2	\$126,980 - \$172,502
Goomalling	2	\$126,980 - \$172,502
Gosnells	8	\$222,216 - \$300,081
Greater Geraldton	8	\$222,216 - \$300,081
Halls Creek	4	\$150,939 - \$204,845
Harvey	6	\$183,284 - \$247,971
Irwin	3	\$140,158 - \$189,871
Jerramungup	2	\$126,980 - \$172,502
Joondalup	8	\$222,216 - \$300,081
Kalamunda	7	\$203,648 - \$275,524
Kalgoorlie-Boulder	8	\$222,216 - \$300,081
Katanning	3	\$140,158 - \$189,871
Kellerberrin	2	\$126,980 - \$172,502
Kent	2	\$126,980 - \$172,502
Kojonup	3	\$140,158 - \$189,871

Kondinin	2	\$126,980 - \$172,502
Koorda	2	\$126,980 - \$172,502
Kulin	2	\$126,980 - \$172,502
Kwinana	7	\$203,648 - \$275,524
Lake Grace	2	\$126,980 - \$172,502
Laverton	3	\$140,158 - \$189,871
Leonora	3	\$140,158 - \$189,871
Mandurah	8	\$222,216 - \$300,081
Manjimup	5	\$165,314 - \$223,414
Meekatharra	2	\$126,980 - \$172,502
Melville	8	\$222,216 - \$300,081
Menzies	1	\$113,803 - \$153,934
Merredin	3	\$140,158 - \$189,871
Mingenew	1	\$113,803 - \$153,934
Moora	3	\$140,158 - \$189,871
Morawa	2	\$126,980 - \$172,502
Mosman Park	3	\$140,158 - \$189,871
Mount Magnet	2	\$126,980 - \$172,502
Mount Marshall	2	\$126,980 - \$172,502
Mukinbudin	1	\$113,803 - \$153,934
Mundaring	7	\$203,648 - \$275,524
Murchison	1	\$113,803 - \$153,934
Murray	5	\$165,314 - \$223,414
Nannup	2	\$126,980 - \$172,502
Narembeen	2	\$126,980 - \$172,502
Narrogin Shire of	1	\$113,803 - \$153,934
Narrogin Town of	2	\$126,980 - \$172,502
Nedlands	6	\$183,284 - \$247,971
Ngaanyatjarraku	2	\$126,980 - \$172,502
Northam	5	\$165,314 - \$223,414
Northampton	2	\$126,980 - \$172,502
Nungarin	1	\$113,803 - \$153,934
Peppermint Grove	1	\$113,803 - \$153,934
Perenjori	2	\$126,980 - \$172,502
Perth	9	\$241,382 - \$327,034
Pingelly	1	\$113,803 - \$153,934
Plantagenet	4	\$150,939 - \$204,845
Port Hedland	7	\$203,648 - \$275,524
Quairading	2	\$126,980 - \$172,502
Ravensthorpe	3	\$140,158 - \$189,871
Rockingham	8	\$222,216 - \$300,081
Roebourne	7	\$203,648 - \$275,524
Sandstone	1	\$113,803 - \$153,934

Serpentine-Jarrahdale	5	\$165,314 - \$223,414
Shark Bay	2	\$126,980 - \$172,502
South Perth	7	\$203,648 - \$275,524
Stirling	9	\$241,382 - \$327,034
Subiaco	7	\$203,648 - \$275,524
Swan	8	\$222,216 - \$300,081
Tammin	1	\$113,803 - \$153,934
Three Springs	1	\$113,803 - \$153,934
Toodyay	3	\$140,158 - \$189,871
Trayning	1	\$113,803 - \$153,934
Upper Gascoyne	1	\$113,803 - \$153,934
Victoria Park	6	\$183,284 - \$247,971
Victoria Plains	2	\$126,980 - \$172,502
Vincent	7	\$203,648 - \$275,524
Wagin	2	\$126,980 - \$172,502
Wandering	1	\$113,803 - \$153,934
Wanneroo	9	\$241,382 - \$327,034
Waroon	3	\$140,158 - \$189,871
West Arthur	1	\$113,803 - \$153,934
Westonia	1	\$113,803 - \$153,934
Wickepin	1	\$113,803 - \$153,934
Williams	1	\$113,803 - \$153,934
Wiluna	2	\$126,980 - \$172,502
Wongan-Ballidu	2	\$126,980 - \$172,502
Woodanilling	1	\$113,803 - \$153,934
Wyalkatchem	1	\$113,803 - \$153,934
Wyndham-East Kimberley	6	\$183,284 - \$247,971
Yalgoo	1	\$113,803 - \$153,934
Yilgarn	3	\$140,158 - \$189,871
York	3	\$140,158 - \$189,871

### PART 3 – REGIONAL LOCAL GOVERNMENT TOTAL REWARD PACKAGE

BAND	TOTAL REWARD PACKAGE	NUMBER OF REGIONAL LOCAL GOVERNMENTS
Band 1	\$113,803 - \$153,934	5
Band 2	\$126,980 - \$172,502	
Band 3	\$140,158 - \$189,871	1
Band 4	\$150,939 - \$204,845	
Band 5	\$165,314 - \$223,414	1
Band 6	\$183,284 - \$247,971	1
Band 7	\$203,648 - \$275,524	2
Band 8	\$222,216 - \$300,081	
Band 9	\$241,382 - \$327,034	

### PART 4 – REGIONAL LOCAL GOVERNMENT CLASSIFICATIONS

REGIONAL LOCAL GOVERNMENT **	BAND	TOTAL REWARD PACKAGE
Bunbury-Harvey	1	\$113,803 - \$153,934
Eastern Metropolitan	7	\$203,648 - \$275,524
Mid West	1	\$113,803 - \$153,934
Mindarie	5	\$165,314 - \$223,414
Pilbara	1	\$113,803 - \$153,934
Rivers	3	\$140,158 - \$189,871
Southern Metropolitan	7	\$203,648 - \$275,524
Tamala Park	6	\$183,284 - \$247,971
Western Metropolitan	1	\$113,803 - \$153,934
Yarra Yarra	1	\$113,803 - \$153,934

\*\*The Murchison Regional Vermin Council is not included as the CEO is undertaken by the CEO of one of the member councils who does not receive additional remuneration for this purpose.

### PART 5 – TOTAL REWARD PACKAGE INCLUSIONS

Each of the following is considered an appropriate component of a CEO's Total Reward Package.

- Base salary
- Annual leave loading
- Associated FBT accrued
- Association membership fees
- Attraction/retention allowance

- Benefit value of provision of motor vehicle for private use
- Cash bonus and performance incentives
- Cash in lieu of vehicle
- Fitness club fees
- Grooming/clothing allowance
- Health insurance subsidy
- Private phone
- Recognition programme benefits
- School fees and child's uniforms (ongoing)
- Superannuation
- Travel or any other benefit taken in lieu of salary
- Unrestricted entertainment allowance

## **PART 6 – TOTAL REWARD PACKAGE EXCLUSIONS**

Each of the following components is considered an appropriate exclusion from the CEO's Total Reward Package.

- Airfare to home base
- Appointment/relocation expenses
- Computer provision
- Entertainment allowance (business restricted)
- Expense of office (business restricted)
- Isolation/location allowance
- Mobile phone
- Professional development and library allowance
- Rental subsidy #
- Travel on business
- Water/power subsidies #

# The payment of these subsidies may be appropriate in some cases such as in remote locations in the state.

The above are considered either a tool of trade benefit (eg mobile phone, computer, library allowance) or a reimbursement for genuine work related expenses (eg expense of office) or compensation for specific disadvantages (eg isolation/location allowances, rental subsidy, water/power subsidy, travel benefits). The Tribunal has been advised that these benefits are typically not included in Total Reward Packages in other companies and organisations. The payment of these benefits, where such payment is judged to be fair, not excessive and transparent, may be considered appropriate, but such payments should not be used to artificially inflate the employee's Total Reward Package.

Signed at Perth this 24th day of June 2011.

W S Coleman AM  
CHAIRMAN

C A Broadbent  
MEMBER

B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL