

## **GOVERNMENT ENTITIES (WATER CORPORATION) DETERMINATION NO. 1 OF 2018**

### ***Determination of the Salaries and Allowances Tribunal***

#### ***Pursuant to sections 7C and 10F of the Salaries and Allowances Act 1975***

#### **PREAMBLE**

##### **STATUTORY CONTEXT**

- (1) In accordance with sections 7C and 10F of the Salaries and Allowances Act 1975 (the Act), the Salaries and Allowances Tribunal (the Tribunal) must determine the remuneration that is provided to an executive officer of a prescribed Government entity.
- (2) On 10 August 2018, the Tribunal assumed the power to determine remuneration for these offices following the gazettal of the Salaries and Allowances Amendment Regulations (No 2) 2018, which prescribed the Government entities to be subject to determination.
- (3) The Tribunal's power is currently restricted in two ways.
- (4) First, an executive officer with contract arrangements in place immediately before 10 August 2018 will have the terms of that contract protected. That is, the Tribunal is only able to set an executive officer's remuneration following the expiration of their existing contract.
- (5) Second, the Salaries and Allowances (Debt and Deficit Remediation) Act 2018 ("wage freeze legislation") prevents the Tribunal, until 1 July 2021, from increasing remuneration provided to an executive officer. The amendments provide that remuneration must not exceed that which was provided to the person who held the office immediately before that Act commenced on 28 February 2018.

##### **BACKGROUND TO DETERMINATION**

- (6) The Tribunal first considered remuneration provided to executive officers of Government entities following the commencement, in December 2016, of the Executive Officer Remuneration (Government Entities) Legislation Amendment Act 2016. Work was undertaken to develop a framework to categorise Government entities and allocate corresponding levels of remuneration for each executive officer.
- (7) However, the Tribunal deferred any decisions during Parliament's consideration of the wage freeze legislation, until it was passed in February 2018.
- (8) This wage freeze legislation has temporarily capped remuneration provided to certain senior public offices, including executive officers. Further, with respect to executive officers' remuneration, this legislation requires the Tribunal to determine the specific amount of remuneration for each executive officer position, rather than setting minimum and maximum amounts of remuneration.

- (9) The determination that follows relates to the executive officer at the Water Corporation, which is the first office to be formally considered by the Tribunal following the commencement of the power to set executive officers' remuneration.
- (10) Further determinations will be issued as needed, following the expiration of other executive officers' contracts.

## **CONSIDERATIONS**

- (11) In deliberations leading to this determination, the Tribunal has:
  - (a) consulted with Government entities and their Chairs, including calling for submissions and requesting a range of financial and operational data;
  - (b) consulted its Statutory Adviser;
  - (c) conducted research internally; and
  - (d) assessed executive officers of Government entities within the context of other public office holders in the Tribunal's jurisdiction.
- (12) With respect to the executive officer of the Water Corporation, the Tribunal has specifically considered the Water Corporation's:
  - (a) economic performance;
  - (b) unique or specialised requirements;
  - (c) significance to Western Australia, through social, economic or other factors.
- (13) The Tribunal has considered a range of labour market and economic data including forecasts from the *State Government Budget 2018-19*.
- (14) The Tribunal has also noted the State Government's *Public Sector Wages Policy Statement 2018*.

## **DECISION**

- (15) The Tribunal has determined the remuneration to be provided to the executive officer of the Water Corporation will be \$518,956, which is the same remuneration as provided to the previous office holder.
- (16) This determination conforms to the temporary restrictions of the "wage freeze legislation".
- (17) The Tribunal will issue further determinations as needed, following the expiration of contracts held by current executive officers.

The determination will now issue

# GOVERNMENT ENTITIES (WATER CORPORATION) DETERMINATION NO. 1 OF 2018

## *Determination of the Salaries and Allowances Tribunal*

### *Pursuant to sections 7C and 10F of the Salaries and Allowances Act 1975*

#### **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 (Water Corporation) Determination No. 1 of 2018*.

##### **1.2 Commencement**

This determination comes into operation on 1 January 2019.

##### **1.3 Content and intent**

- (1) The determination applies to executive officers listed in this determination.
- (2) The amounts of remuneration specified in this determination comprise the total remuneration to be provided to an executive officer, including salary, allowances, fees, emoluments and benefits.
- (3) This determination is issued pursuant to sections 7C and 10F of the Salaries and Allowances Act 1975 (the Act) and applies to offices identified in Schedule 2 of the Act that have been prescribed in regulations.
- (4) This determination conforms to the restrictions in section 10F that apply until 1 July 2021 and:
  - (a) require the Tribunal to inquire into and determine the amount of remuneration to be paid or provided to executive officers of the entity; and
  - (b) prevent the Tribunal from increasing remuneration provided for offices specified in section 7C of the Act.

##### **1.4 Terms used**

In this determination, unless the contrary intention appears -

***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;

**salary** means the portion of remuneration which is paid as money;

**Tribunal** means the Salaries and Allowances Tribunal.

### **1.5 Pro rata payments**

- (1) The remuneration 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 amount of a person's entitlement to remuneration, 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.

## **PART 2: TOTAL REMUNERATION PACKAGE**

*This Part deals with the remuneration payable to executive officers.*

### **2.1 GENERAL**

- (1) Offices listed in this Part are to be provided a Total Remuneration Package (TRP) to the amount stated in 2.2.
- (2) Typical components of a TRP include base salary, superannuation, private motor vehicle allowance and any other form of payment provided as a reward for service.
- (3) 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.

## 2.2 EXECUTIVE OFFICER REMUNERATION

- (1) The total remuneration to be provided to a person appointed to the position of executive officer of the Water Corporation is \$518,956.
- (2) The total remuneration provided to executive officers of Government entities listed in Table 1 is yet to be determined and will be considered by the Tribunal following expiration of contract arrangements that were in place immediately before 10 August 2018.

**Table 1: Government entities to be determined**

<i>Government entity</i>
Bunbury Water Corporation (Aqwest)
Busselton Water Corporation
Fremantle Port Authority
Gold Corporation (Perth Mint)
Horizon Power
Kimberley Port Authority
Mid-West Ports Authority
Pilbara Ports Authority
Racing and Wagering WA
Southern Ports Authority
Synergy
WA Land Authority
WA Treasury Corporation
Western Power

Signed on 17 December 2018.

M Seares AO  
CHAIR

B A Sargeant PSM  
MEMBER

C P Murphy PSM  
MEMBER

**SALARIES AND ALLOWANCES TRIBUNAL**