

STATUTORY AND OTHER OFFICES REMUNERATION TRIBUNAL

**REPORT AND DETERMINATION PURSUANT TO SECTION 14 OF THE
ACT - MOTOR VEHICLE ALLOWANCE FOR CERTAIN PUBLIC OFFICE
HOLDERS**

1. On 24th January 2002 the Premier, the Hon Bob Carr MP directed the Tribunal to review the motor vehicle allowance for certain public office holders. In making this direction the Premier stated that:

“... The Government considers that motor vehicles should be available to officers in the public sector only on a salary sacrifice basis.”

2. This reference followed legislation which took effect on and from 1 January 2002 to allow public office holders to salary sacrifice for motor vehicles.
3. In its 2000 Annual Review the Tribunal examined the non financial benefits available to the Public Office Holder Group and reported that the Office Holders specified in its determination were receiving motor vehicles at either no cost or minimal cost.
4. Motor vehicle costing is complex because of the number of factors which have to be considered in determining the annual lease fee. Particular features of the lease such as the lease term, annual kilometres travelled, the business/private mix all impact on the annual lease cost to the officer. Thus two officers may have an identical vehicle but the cost of the vehicle to each officer will vary depending on the costing specifications.
5. The Tribunal has been provided with details from the relevant agencies on the motor vehicles and actual costs. Not surprisingly the Tribunal has found that such costings differed markedly from agency to agency.

6. To ensure a consistent and transparent costing model, the Tribunal has applied the most common costing assumptions to the vehicle currently held by the officers i.e. a two year lease with the vehicle clocking 25,000 kms annually on the basis of 70 per cent private usage and 30 per cent business usage. The Motor Vehicle Allowance in this determination is based upon these calculations.
7. In order for an officer to receive the Motor Vehicle Allowance it will be necessary for the officer to forgo the existing arrangements. At the 2002 annual review the allowance will be incorporated into the salary for superannuation purposes.
8. Following earlier Crown Solicitor's advice, the Tribunal is not able to make determinations that over-ride any current agreement between a Public Office Holder and the Crown. Therefore, following this determination, the Director-General of the Premier's Department will need to write to each Office Holder to obtain the officer's written acceptance that he or she is prepared to forgo the existing motor vehicle arrangements and that in lieu of those existing arrangements the Officer is prepared to meet the private use cost of a motor vehicle on a salary sacrifice basis. The Premier's Department will advise the Tribunal of those Officers who have accepted the new arrangements.
9. Those Office Holders who choose not to accept the new arrangements will be ineligible to receive the allowance.
10. In order to ensure that that there is a consistent approach to the availability of motor vehicles, the Tribunal recommends that a Circular be issued to all Ministers and CEOs informing them that vehicles for statutory office holders will only be available through the normal public sector salary sacrifice arrangements and are not to be offered as part of an employment package.
11. It will then follow that future appointees may only obtain a motor vehicle by way of salary sacrifice.

12. The Tribunal has been informed that the employment arrangements for the Chairperson, Motor Vehicle Repair Industry Council, have changed. This Office Holder will be scheduled as an SES officer and, as such the appointee will receive a remuneration package which already makes provision for a motor vehicle on a salary sacrifice basis.

DETERMINATION

The following Office Holders will be eligible to receive the motor vehicle allowance as determined hereunder. To be eligible to receive this allowance each Office Holder must provide written confirmation that they will forgo their entitlement to a motor vehicle under the current arrangements. The allowance will take effect on and from the date the Officer signs the written confirmation.

President, Mental Health Review Tribunal	\$14,000
Deputy President, Mental Health Review Tribunal	\$13,000
President, Guardianship Tribunal	\$14,000
Deputy President, Guardianship Tribunal	\$13,000
Clerk, Legislative Assembly	\$14,000
Clerk, Legislative Council	\$14,000
Deputy Clerk, Legislative Assembly	\$13,000
Deputy Clerk, Legislative Council	\$13,000
Chairperson, Consumer, Trader and Tenancy Tribunal	\$14,000
Deputy Chairperson, Consumer, Trader and Tenancy Tribunal	\$14,000
Senior Member, Consumer, Trader and Tenancy Tribunal	\$13,000
Chairman, Local Land Board	\$14,000

Statutory and Other Offices Remuneration Tribunal

Gerry Gleeson
Date: 30 April 2002