

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates, 2 - 3 November 2005

Question: SBT 30

Topic: Salary Increases at SES1, SES2 & SES3

Hansard Page: E81

Senator Sherry asked:

Senator SHERRY—Do you know roughly what percentage increase in salary that represents?

Mr Tune—My recollection is that the cash-out value was around \$22,000—something in that order. That would not explain all of that increase.

Senator SHERRY—No.

Mr Tune—A couple of thousand of it, perhaps.

Senator SHERRY—Yes, that is right. So what does explain that increase?

Mr Tune—General salary increases across the board in the Treasury.

Senator SHERRY—Were they the same—that roughly five per cent figure I asked about earlier? Were there higher salary increases at SES1, 2 and 3 than at the levels further down?

Mr Tune—No, I do not think so. My recollection is that they were the same percentage increases.

Senator SHERRY—It is the cashing out of the car that you believe makes the difference?

Mr Tune—Obviously, a percentage increase for someone who is on a higher base is going to provide a higher dollar figure if it is a constant percentage.

Senator SHERRY—I am talking about percentages here.

Mr Tune—Can I take it on notice? We will do the sums and provide you with an explanation of what the breakdown of the increases is.

Answer:

The 2004-2006 Treasury Certified Agreement provided for an increase in salaries of all non-SES employees of 3 per cent plus \$1,500, with effect from 8 September 2004. The resulting increases in salary points are set out in Table 11 at page 114 of the Treasury Annual Report 2004-2005 and imply salary increases of between 7.98 and 4.64 per cent for non SES staff.

Treasury SES employees were also accorded a 3 per cent pay rise from 8 September 2004, and the rates for SES band 1 were subject to a further increase of \$1,200. However, at the same time, Treasury simplified its SES pay model by moving from four to three pay points for each SES band. This was achieved by removing the lowest pay point in each SES band. As a result, the changes in the minimum pay points for SES set out in Table 10 at page 113 of the Treasury Annual Report 2004-05 are not directly comparable and overstate the movement in SES minimum salaries actually paid to SES employees. As there were no employees paid at the former minima; no employees received any more than the general increase as a result of the change in the number of pay points.