

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearings 2003, 26 & 27 May 2003

Question: PM75 – PM81

All Portfolio Agencies

Topic: SES motor vehicles

Written Question on Notice

Senator Carr asked:

Please put these questions on notice for every portfolio covered by your committee.

- (1) Have any agencies within your portfolio introduced arrangements whereby SES or other staff who are entitled to a motor vehicle as part of their remuneration are able to cash the vehicle out and have the cashed out amount count as salary for superannuation purposes?**
- (2) If so:**
 - (a) When were these arrangements introduced and do they still apply?**
 - (b) In what agencies do they apply?**
 - (c) What was the policy justification for the arrangement in each agency?**
 - (d) Were any actuarial calculations made of the long-term costs of these arrangements? If so, what were the details of these estimates? If no calculations were made why was this not done?**

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Answers

Department of the Prime Minister and Cabinet

(1) Cash in lieu of a motor vehicle is available for SES employees but it does not count as salary for superannuation purposes.

(2) N/A

Australian National Audit Office

(1) As part the Australian National Audit Office (ANAO) move towards a Total Employment Cost framework model, in the context of individual Australian Workplace Agreements, SES staff are able to cash-out their Executive Vehicle Scheme (EVS) vehicles. Sixty five percent of the cash-out amount counts as salary for superannuation purposes.

(2a) The Total Employment Cost arrangements were introduced on a transitional basis from 1 May 2003 with SES staff having until 1 September 2003 to exit the EVS and move to the cash-out arrangements.

(b) ANAO.

(c) To assist the ANAO to attract and retain talented staff in a highly competitive market, it was agreed that our employment arrangements for the SES should be packaged within a Total Employment Cost framework by providing flexibility within a fixed cost structure. The ANAO also wanted to eliminate the cost of administering the EVS.

(d) An assessment was made of the direct cost to the ANAO of increased employer superannuation contributions, but no actuarial calculations were sought due to the diverse personal circumstances of each staff member.

Australian Public Service Commission

(1) Cash in lieu of a motor vehicle is available but it does not count as salary for superannuation purposes. Employees on Australian Workplace Agreements may negotiate individual arrangements for their remuneration, including superannuation arrangements. Such arrangements would take into account all the costs involved.

(2) N/A

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Office of the Governor-General

(1) No

(2) N/A

Office of the Inspector-General of Intelligence and Security

(1) No

(2) N/A

Ombudsman

(1) No

(2) N/A

Office of National Assessments

(1) Staff are entitled to cash the vehicle out but the cashed out amount does not count as salary for superannuation purposes.

(2) N/A