

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

Additional Budget Estimates 20 February 2008

Question **AET 60**
Topic: **Senior Executive Salaries**
Hansard Page: **E26(i)**

Senator Parry asked

I will place this on notice to Mr D'Ascenzo firstly. In relation to senior executive salaries, of the 231 senior executive salary positions listed in the 2006-07 financial annual report ranging from \$130,000 to \$460,000, the questions are:

- (a) Who sets the salaries for those senior executives?
- (b) What role, if any, does the Remuneration Tribunal play in setting salaries for those senior executives?
- (c) What advice is sought from external agencies including the Remuneration Tribunal in relation to those salaries?
- (d) Is there a projected increase on the \$47.8 million that total those 231 salaries? What method or what formula is used for the increase, if there is a projected increase?
- (e) In light of the Prime Minister's statement of recent days regarding a freeze on parliamentary salaries, have you received any official instruction from the minister, the Prime Minister or any other agency concerning a freeze of the 231 senior executive salaries? They are the questions to Mr D'Ascenzo.

Answer

- (a)
 - (i) The Remuneration Tribunal determines the Commissioner's salary.
 - (ii) Within a framework established by the Remuneration Tribunal, the Commissioner determines the salaries of the Second Commissioners.
 - (iii) Band 1 and Band 2 executive salaries are determined by the Commissioner through Tax Office remuneration committees.
- (b) See (i) and (ii) above.
- (c) The Commissioner, through Tax Office remuneration committees, sets SES Band 1 and Band 2 pay ranges each year having regard to the Tax Office pay positioning within the relevant market, affordability and outcomes of the annual APS Remuneration Survey (conducted on behalf of the Department of Education, Employment and Workplace Relations by Mercer Human Resource Consulting).
- (d) There is currently no projected increase, however the Commissioner sets SES pay ranges annually on a financial year cycle having regard to a number of factors as described in (c) above. This may result in an increase in the total salary expenditure for SES.
- (e) We are not aware of any advice being received in the Tax Office.