

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 29 May 2007)

Question **BET 88**
Topic: **Operation of the bonus system within the Australian Valuation Office (AVO)**
Hansard Page: **E19-20**

Senator **Bernardi** asked:

Can you then briefly explain how the current bonus system within the AVO operates or the one that you are seeking to change or has been referred to a remuneration tribunal?

Mr D'Ascenzo—I think it had to do with the AVO having to, first, compete on market terms—turn a profit, return part of that profit to finance. Out of the remainder there was a division of whatever surplus pool arose, if any arose. I am not quite sure how the split occurred.

Senator BERNARDI—So you do not know how it was allocated? Perhaps you could follow up that and advise us accordingly.

Mr D'Ascenzo—Sure.

Senator BERNARDI—I would be interested—

Mr D'Ascenzo—Typically at the same level, the level of remuneration of the AVO was slightly below the level of remuneration of the ATO.

Senator BERNARDI—What, then, would be, say, the maximum level of remuneration or bonus remuneration that an AVO employee could achieve?

Mr D'Ascenzo—I think in terms of the ATO it is something in the order of \$20,000. The AVO would be less than that.

Senator BERNARDI—It would be less than that. Would you mind following that up with a figure for us as well.

Mr D'Ascenzo—Sure.

Answer:

AVO staff are currently employed under the AVO Collective Agreement 2006 or under individual AWA's.

AVO staff are currently eligible for bonus / performance payments based on their individual employment agreements.

1. Under the AVO Collective Agreement 2006, staff are entitled to a distributed profit sharing bonus payment based on the profit returned by the AVO for the financial year.
2. Under the AWA agreements staff are eligible for both an annual performance bonus and the profit sharing bonus payment. The annual performance payment is calculated on a sliding scale based on the overall individual performance for the calendar year. For valuers in the Valuation Advisory Service stream the

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annual performance payment is also based on the value of the fees earned by the valuer in delivering valuation services for the AVO. To date the largest amount to be paid to a valuer under the fee based performance bonus is approximately \$44,000.

The maximum level of remuneration that an AVO employee could achieve is at the SES Band 1 level.