

Remuneration report

2016–17

15 June 2018

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Purpose

Defence Housing Australia's (DHA) remuneration arrangements as a Government Business Enterprise (GBE)¹ are unique as DHA is the only GBE that employs its staff under the *Public Service Act 1999* (Public Service Act).

In 2016–17, DHA received two requests for transparency in relation to executive remuneration:

1. A request from the Minister for Finance on 16 February 2017 to all GBEs requesting additional transparency by publishing disaggregated executive remuneration for the 2015–16 financial year and beyond.
2. A request from the Secretary of the Department of the Prime Minister and Cabinet (PM&C) on 16 May 2017 to all Australian Public Service (APS) leaders requesting greater transparency of substantive executive and highly paid officer remuneration (defined as those earning \$200,001 or more) for the 2016–17 reporting period and beyond in accordance with an aggregated disclosure template provided.

As DHA is a reporting entity under the *Privacy Act 1988* (Privacy Act) any remuneration disclosure must take account of its legal obligations under the Privacy Act. This means DHA cannot legally publish disaggregated detail of remuneration, which constitutes personal information under the Privacy Act, without prior written consent from the individual (or individuals) concerned, whether they are named or otherwise reasonably identifiable.

Taking account of DHA's legal obligations under the Privacy Act, the purpose of this remuneration report is to:

- demonstrate how DHA's remuneration strategy is aligned to its purposes and strategic objectives, as set out in its Corporate Plan and Statement of Corporate Intent which are approved by the Minister for Defence and the Minister for Finance;
- set out the remuneration strategy and governance arrangements for DHA's Board members, Managing Director, senior executives and DHA employees (DHA1 to EL2);
- provide disaggregated information about the remuneration paid to DHA's public office holders (i.e. Board members and Managing Director);
- provide disaggregated information about the remuneration paid to Senior Executive Group (SEG) members in 2016–17 where DHA has received written consent to publish their personal information; and
- provide aggregated information about the remuneration paid to substantive executives and other highly paid officers in 2016–17 using the template provided to APS agencies.

¹ A GBE is a body created when the Australian Government wishes to conduct some sort of commercial enterprise at arm's length from usual departmental structures and processes. DHA became a GBE in 1992 and, as at 30 June 2017, was one of two GBEs prescribed in section 5(1) of the *Public Governance Performance and Accountability Rule 2014* (PGPA Rule).

About DHA

Enabling legislation

The *Defence Housing Australia Act 1987* (DHA Act) established DHA as a statutory authority² and sets out its functions, powers, corporate structure and delegations. In accordance with definitions in section 8 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), DHA is both a corporate Commonwealth entity³ and a GBE. DHA is the only GBE to employ its staff in accordance with the Public Service Act.

Roles and responsibilities

DHA's purpose is to provide housing and related services to Australian Defence Force (ADF) members and their families in accordance with section 5 of the DHA Act and service agreements with the Department of Defence (Defence). In doing so, DHA:

- manages approximately 18,800 properties in all states and territories of Australia;
- allocates managed properties to ADF members and administers the resulting tenancies;
- administers Rent Allowance (RA) payments to ADF members living in private rental accommodation; and
- manages an online booking system for approximately 41,200 Defence-owned and maintained beds (referred to as Living-in Accommodation) at 54 ADF bases and establishments.

Subsidiary company

In 2012, with approval from the then Minister for Finance, DHA established DHA Investment Management Limited (DHA IML) as a wholly owned subsidiary company. DHA IML has its own governance structure, including a separate Board of Directors. A member of the DHA Board is Chair of the DHA IML Board. The DHA IML Board is responsible for the proper and efficient performance of DHA IML's functions, as well as making decisions on direction and strategy.

Financial management

As a corporate Commonwealth entity and GBE, DHA must operate commercially, maintain a strong financial position and deliver commercial returns to the Australian Government (based on 60 per cent of Net Profit After Tax).

DHA does not receive funding directly from the Federal Budget. DHA funds its operations through:

- the receipt of commercial rent, fees and charges from Defence for its services; and
- generating revenue from:
 - selling and leasing back properties through its property investment program⁴;
 - the disposal of excess land and/or finished properties from its developments; and
 - the disposal of properties that no longer meet Defence minimum standards or requirements.

DHA is a full tax-paying entity in relation to federal taxes (e.g. corporate income tax, goods and services tax and fringe benefits tax). DHA also pays state and territory-based taxes (e.g. stamp duty and land tax) or an equivalent in accordance with competitive neutrality requirements.

² A statutory authority is a body created by the Parliament for a specific purpose.

³ A corporate Commonwealth entity is a corporate body, established by a law of the Commonwealth but legally separated from it. Corporate Commonwealth entities can act in their own right and exercise certain legal rights such as entering into contracts and owning property.

⁴ Leased properties sold through the property investment program comprise approximately 70 per cent of DHA's property portfolio to house ADF members and their families (as at 30 June 2017). The property investment program is the main contributor of funding for DHA.

Organisational structure

Figure 2 (refer over the page) shows DHA's organisational structure, including links to the Australian Government, as at 30 June 2017.

Shareholder Ministers

The Australian Government's interests in DHA are overseen by two Shareholder Ministers: the Minister for Defence and the Minister for Finance. As DHA sits within the Defence portfolio of the Australian Government, the Minister for Defence is DHA's responsible Minister.

The Minister for Defence may delegate responsibility for DHA operational matters to a Defence portfolio Minister. In 2016–17, the Minister for Defence delegated responsibility for DHA operational matters to the Minister for Defence Personnel.

Board of Directors

DHA's Board of Directors is the accountable authority of DHA under the PGPA Act and is responsible for the proper and efficient performance of DHA's functions. All non-executive Board members are appointed by DHA's Shareholder Ministers following approval from the Australian Government. Members have a combination of APS, ADF and commercial experience.

Managing Director

The Managing Director is employed by the Board and is the only executive director of the Board. The Managing Director is responsible for conducting the operational affairs of DHA in accordance with the DHA Act and any policies determined by, and directions given by, the Board. The Managing Director oversees DHA's strategic direction, organisational structure, staff, performance and relationships with key stakeholders.

Senior Executive Group

The Senior Executive Group (SEG) assists the Managing Director to ensure DHA fulfils its role in accordance with the DHA Act. The SEG provides leadership, guides performance, implements and delivers against the Corporate Plan and ensures accountability of DHA's activities. As at 30 June 2017, the SEG comprised the Managing Director and five direct reports.

Staff

Staff are critical to the organisation's success. As at 30 June 2017, DHA employed 658 staff across Australia. The majority of staff (89.2 per cent) were employed on a full time basis. Two thirds (66.4 per cent) of staff were female. Refer to **Table 1** (over the page) for a breakdown of staff by substantive classification and gender.⁵

Staff in 20 regional offices deliver customer facing services to ADF members and their families and investors in capital cities and major regional centres where the ADF has a presence. They are supported by staff in four regionally-based telephone contact centres, who are the first point of contact for housing services, maintenance services and the allocation of on-base LIA.

Staff in DHA's head office are responsible for overseeing strategic development, operational programs, corporate governance and corporate support (e.g. information technology, finance, human resources, marketing and communications). Most head office staff work in Canberra, however, the use of flexible working arrangements has enabled some staff to work in DHA's Sydney central business district office or in one of its other regional offices.

⁵ Employee data includes ongoing and non-ongoing staff at their substantive classification as at 30 June 2017. It excludes inoperative staff (those on long-term leave), staff engaged through an employment agency and Board members.

Figure 2: DHA's organisational structure, 30 June 2017



Table 1: DHA staff by substantive classification and gender, 30 June 2017⁶

Classification	Female		Male	
	Headcount	Percentage	Headcount	Percentage
DHA3	79	18.1	25	11.3
DHA4	142	32.5	37	16.7
DHA5	69	15.8	33	14.9
DHA6	72	16.5	37	16.7
EL1	52	11.9	43	19.5
EL2	20	4.6	39	17.7
SESB1–MD01	3	0.6	7	3.2
Total	437	100.0	221	100.0

⁶ Employee data includes ongoing and non-ongoing staff at their substantive classification as at 30 June 2017. It excludes inoperative staff (those on long-term leave), staff engaged through an employment agency and Board members.

Remuneration strategy

The link between organisational strategy, remuneration and performance

As a corporate Commonwealth entity and GBE, DHA plans and reports in accordance with the:

- PGPA Act;
- PGPA Rule; and
- *Commonwealth Government Business Enterprise Governance and Oversight Guidelines* (GBE Guidelines).

DHA's remuneration strategy:

- supports the strategic purposes of the organisation; and
- enables performance-based reward and recognition of capable employees while being aligned to market practice and being in the interests of our shareholders.

Figure 3 (over the page) shows the alignment between DHA's strategy planning, reporting and individual performance.

The key elements of DHA's planning is as follows:

Statement of Corporate Intent

DHA prepares a Statement of Corporate Intent (SCI) annually based on its Corporate Plan. The SCI is a high-level, plain English overview of DHA's key objectives and priorities for the financial year. It is publicly available on [DHA's website](#).

Corporate Plan

DHA's four-year Corporate Plan is reviewed and prepared annually in accordance with the GBE Guidelines, service agreements with Defence and in consultation with Defence and Finance departmental shareholder units. The plan sets the strategic direction of the business, including corporate objectives, performance measures and a long term outlook of future priorities.

DHA's Corporate Plan is approved in principle by the DHA Board annually, before being provided to Shareholder Ministers for their consideration. In accordance with section 16E(4) of the PGPA Rule, the DHA Board has chosen not to make the plan publicly available to protect DHA's commercial sensitivities.

Business unit plans

Each division of the business develops an annual business unit plan that incorporates all relevant responsibilities from the Corporate Plan, together with additional activities and measures linked to budget. Within divisions, some work groups also develop plans for the delivery of specific programs.

Individual performance agreements

All staff employed for three months or more are required to prepare a performance agreement. Performance agreements provide a structure for supervisors and employees to jointly discuss performance and map strategies and goals that translate corporate strategy (through objectives from the Corporate Plan, through business unit plans) into individual targets and behaviours that can be measured. They also inform potential performance payment ratings for eligible staff (refer to 'Rewards and recognition' over the page and in 'Employee remuneration' on page 16).

Rewards and recognition

Recognition and reward of high performance is a powerful motivator for individuals and teams. Reward and recognition is not limited to financial incentives, however, potential performance bonuses negotiated under DHA's *DHA Enterprise Agreement 2015* (EA) provides DHA with the opportunity to:

- encourage participation in the performance appraisal cycle
- increase motivation to achieve higher standards of performance and behaviour
- recognise exceptional performance and tangibly reward and recognise sustained high performance that has been observed during the annual performance appraisal cycle.

Figure 3: Alignment between strategic planning, reporting and individual performance



Board member remuneration

Background

Part III of the DHA Act establishes DHA's Board of Directors, including its functions, membership, appointments, remuneration, meetings and committees. The DHA Board appoints committee members, including the respective Chair of each Committee and the Chair of the DHA IML Board. **Table 2** details non-executive Board members and their roles in 2016–17.

Table 2: Non-executive DHA Board members and their roles in 2016–17

Board member	2016–17 roles
Hon J.A.L. (Sandy) Macdonald	DHA Chairman Chair of the DHA Nomination and Remuneration Committee Member of the DHA Board Property Committee
Mr Martin Brady AO ¹	Member of the DHA Board Chair of the DHA Board Audit Committee Chair of DHA IML Board Member of the DHA Nomination and Remuneration Committee Member of the Board Property Committee
Ms Janice Williams	Member of the DHA Board Chair of the DHA Board Property Committee Member of the DHA Board Audit Committee Member of the DHA Nomination and Remuneration Committee
CDRE Vicki McConachie CSC RANR	Member of the DHA Board Chair of the DHA Advisory Committee Member of the DHA Board Audit Committee
Hon Alan Ferguson	Member of the DHA Board Member of the DHA Board Property Committee
Mr Robert Fisher AM	Member of the DHA Board Member of the DHA Board Audit Committee Member of the DHA Board Property Committee
Ms Andrea Galloway ²	Member of the DHA Board Member of the DHA Board Audit Committee Member of the DHA Board Property Committee
Mr Ewen Jones ³	Member of the DHA Board Member of the DHA Board Audit Committee Member of the DHA Board Property Committee

NOTES:

1. Mr Brady was a member of the Board Property Committee from 1 July 2016 to 2 February 2017.
2. Ms Galloway was appointed to the DHA Board on 9 November 2017. She was appointed to the Board Audit Committee and Board Property Committee from 8 December 2016.
3. Mr Jones was appointed to the DHA Board on 21 December 2016. He was appointed to the Board Audit Committee and Board Property Committee from 2 February 2017.

A breakdown of the remuneration package for Board members is provided over the page. Refer to **Attachment 1** for disaggregated disclosure of remuneration payable to DHA's non-executive Board members (as part time public office holders) in 2016–17.

Remuneration package

Fees

In accordance with Section 17 of the DHA Act, the Remuneration Tribunal determines the fees and allowances payable to DHA Board members as holders of part time public office.⁷ The tables below set out the gross fees payable to Board members in 2016–17 in accordance with *Determination 2015/20* (effective 1 January 2016) and *Determination 2016/18* (effective 8 December 2016). No additional fees were payable to the Chair or members of the Board Property Committee, or to the Chair of the DHA Advisory Committee.

Board	Date of effect gross fee payable
Chair	\$112,290
Member	\$56,160

Audit Committee	Date of effect gross fee payable
Chair	\$15,370
Member	\$7,690

DHA IML Board	Date of effect gross fee payable
Chair	\$15,370

Superannuation

DHA pays Board members' compulsory employer superannuation contributions in accordance with applicable legislation and fund requirements.

Salary packaging

Board members are entitled to salary packaging, whereby they may elect to have all of part of their fees paid to a complying superannuation fund as a pre-tax salary deduction.

Travel and related allowances

DHA coordinates Board members' official business travel and pays related allowances in accordance with the Tribunal's principal determination for official travel by office holders. In 2016–17, this was *Determination 2015/11* (effective 30 August 2015) and *Determination 2016/07* (effective 28 August 2016). DHA uses whole-of-government procurement arrangements to access competitive travel rates. In doing so, DHA ensures value for money in accordance with the PGPA Act and Australian Government travel policies.

Long term benefits

DHA does not offer long-term incentives to non-executive Board members.

Post-term benefits

DHA does not pay any fees or offer any incentives to non-executive Board members beyond their appointed term.

⁷ The Remuneration Tribunal is an independent statutory body established under the *Remuneration Tribunal Act 1973* that oversees the remuneration of key Commonwealth office holders.

Managing Director remuneration

Background

Part IV, Division 1 of the DHA Act establishes the duties, appointment, remuneration, allowances and terms and conditions of employment for the Managing Director. The Managing Director is a statutory employee and the only executive director of the Board.

A breakdown of the potential remuneration package for DHA's Managing Director is provided below and over the page. Refer to **Attachment 1** for disaggregated disclosure of remuneration payable to DHA's Managing Director (as a public office holder) in 2016–17.

Remuneration package

In accordance with Section 50 of the DHA Act, the Managing Director's remuneration package is set by the DHA Board in accordance with the parameters of the Remuneration Tribunal's determination for Principal Executives Office (PEO) holders. In 2016–17, this was Determination 2015/19 (effective 1 January 2016) and Determination 2016/15 (effective 8 December 2016). In summary:

- The DHA Managing Director role is classified as a Band C PEO.
- The Board, as the employing body, sets the Managing Director's remuneration within the framework determined by the Tribunal, following consideration by the Board's Nomination and Remuneration Committee.
- Remuneration is specified on a 'total remuneration' basis (which represents the total value of cash and non-cash benefits available to the office holder), with stipulations as to the minimum proportion to be taken as salary and the maximum proportion to be regarded as salary for superannuation purposes.
- The Tribunal determines, annually, the amount by which the salary band limits are to be adjusted.

Superannuation

DHA pays the Managing Director's superannuation in accordance with applicable legislation and fund requirements.

Salary packaging

The Managing Director is entitled to salary packaging, whereby they receive part of their salary in forms other than cash. At DHA, employees may salary package cars (novated lease), additional superannuation and/or head office car parking. Salary packaging is subject to necessary internal approvals.

Performance pay

In accordance with the Tribunal's Determination for PEOs, the Managing Director is eligible for performance pay of up to 15 per cent of total annual gross remuneration.

Performance requirements and related performance assessments are determined annually by the Board's Nomination and Remuneration Committee and referred to the Board for approval.

Travel and related allowances

DHA coordinates the Managing Director's official business travel and pays related allowances in accordance with the Tribunal's principal determination for official travel by office holders. In 2016–17, this was *Determination 2015/11* (effective 30 August 2015) and *Determination 2016/07* (effective 28 August 2016). DHA uses whole of government procurement arrangements to access competitive travel rates. In doing so, DHA ensures value for money in accordance with the PGPA Act and Australian Government travel policies.

Other benefits

The Managing Director may undertake professional development, be reimbursed for professional memberships, access various health and wellbeing initiatives and access car parking in accordance with DHA policy and budgetary constraints.

Termination arrangements

Termination arrangements for the Managing Director are outlined in the Remuneration Tribunal's determination for PEOs.

Long-term benefits

The Managing Director is only entitled to the accrual of statutory long service leave for APS employees.

Post-employment benefits

There are no additional post-employment benefits, entitlements or arrangements in place for the DHA Managing Director other than superannuation.

Executive remuneration

Background

DHA engages Senior Executive Service (SES) employees in accordance with the Public Service Act, the *Public Service Classification Rules 2000* and its SES cap, as managed by the Australian Public Service Commission (APSC). A breakdown of the potential remuneration package for SES employees is provided below and over the page.

For the purposes of complying with the Minister for Finance's request, DHA has defined 'executives' as the Senior Executive Group (SEG) as at 30 June 2017. Refer to pages 5 and 6 for more information about the SEG.

Refer to **Attachment 2** for disaggregated disclosure of remuneration payable to DHA SEG members in 2016–17 where DHA has received written consent to disclose their personal information.

For the purposes of complying with the Secretary of the Department of PM&C's request, DHA has defined 'substantive executives' as all SES employees.

Refer to **Attachment 3** for aggregated disclosure of remuneration payable to DHA substantive executives in 2016–17. Note that due to the DHA's dual reporting requirements, all members of the SEG captured in Attachment 2 are also captured in this aggregated report.

Remuneration package

Remuneration

The Managing Director determines SES employee remuneration in accordance with section 24(1) of the Public Service Act, taking into account the following factors:

- market data for comparable roles⁸;
- the complexity of the role;
- internal relativities; and
- the individual's skills, qualifications and experience.

The Managing Director reviews SES employee remuneration on an annual basis, considering both individual and organisational performance, as well as market conditions.

Superannuation

DHA pays SES employee superannuation in accordance with applicable legislation and fund requirements.

Salary packaging

SES employees are entitled to salary packaging, whereby they receive part of their salary in forms other than cash. At DHA, employees may salary package cars (novated lease), additional superannuation and/or head office car parking. Salary packaging is subject to necessary internal approvals.

⁸ SES employee roles are benchmarked with comparable roles in the market. External market benchmarks are determined by researching disclosed data from relevant Australian listed companies, APSC, industry data and other GBEs. This information is supplemented by survey data, including [APSC remuneration reports](#) (DHA participates in the annual APS remuneration survey which informs these reports).

Performance pay

DHA's performance bonus program provides SES employees with the opportunity to receive potential remuneration of up to 15 per cent of their annual gross base salary. The program is designed to:

- ensure a portion of total remuneration is linked to the achievement of corporate performance; and
- reward SES employee who contribute to DHA's success and achieve their own individual performance measures during the specified period (i.e. financial year).

Each year, the Managing Director determines the performance measures and objectives of the bonus program, participant eligibility and performance outcomes. The Managing Director reviews performance measures for SES employees at least biannually to ensure alignment with DHA's organisational strategies, corporate goals and workforce resources. DHA reviews its performance bonus program annually to ensure it remains competitive with market practice and continues to incentivise SES employees as intended.

Travel and related allowances

DHA coordinates SES employees' official business travel using whole of government procurement arrangements to access competitive travel rates. In doing so, DHA ensures value for money in accordance with the PGPA Act and Australian Government travel policies.

In accordance with DHA's travel policy, SES employees are issued with corporate credit cards for meals and other business related expenditure (e.g. parking, public transport fares, etc.) incurred while on official business travel. SES employees may be eligible for motor vehicle allowance (MVA) where they have received prior approval from the Managing Director to use their own vehicle in lieu of a DHA-paid airfare or hire car. DHA pays MVA in accordance with Australian Taxation Office (ATO) determined rates.

Other benefits

SES employees may undertake professional development, be reimbursed for approved professional memberships, access various health and wellbeing initiatives and access car parking in accordance with DHA policy and budgetary constraints.

Termination arrangements

Termination arrangements for SES employees are guided by the APSC.

Long term benefits

SES employees are only entitled to the accrual of statutory long service leave for APS employees.

Post-employment benefits

There are no additional post-employment benefits, entitlements or arrangements in place for DHA SES employees other than superannuation.

Employee remuneration

Background

DHA employees (DHA1 to EL2) are engaged under the Public Service Act. Employee conditions of service and commencing salary are set out in the *DHA Enterprise Agreement 2015* (EA) which came into effect on 18 January 2016.

A breakdown of the potential remuneration package for DHA employees is provided below and over the page. Refer to **Attachment 4** for disclosure of aggregated remuneration of highly paid DHA employees (defined as those earning \$200,001 or more) in 2016–17.

Remuneration package

Base salary

Base salary is payable to DHA employees in accordance with Part B (Remuneration) and Appendix 1 of the (EA). In accordance with clause 9 of the EA, a 2 per cent pay increase was payable on the commencement of the EA, and on the 12-month and 24-month anniversary thereof. The following salary scales applied in 2016–17:

DHA level	Pay point	1 July 2016 to 17 January 2017	18 January 2017 to 30 June 2017
DHA trainee (APS technical)	Minimum	\$43,824	\$44,701
	Maximum	\$49,909	\$50,907
Broadband 1			
DHA Level 1 (APS Level 1)	Minimum	\$45,834	\$46,751
	Maximum	\$51,255	\$52,280
DHA Level 2 (APS Level 2)	Minimum	\$50,249	\$51,254
	Maximum	\$56,341	\$57,468
Broadband 2			
DHA Level 3 (APS Level 3)	Minimum	\$56,595	\$57,727
	Maximum	\$62,710	\$63,964
DHA Level 4 (APS Level 4)	Minimum	\$62,533	\$63,784
	Maximum	\$69,877	\$71,275
Broadband 3			
DHA Level 5 (APS Level 5)	Minimum	\$70,451	\$71,860
	Maximum	\$76,897	\$78,435
DHA Level 6 (APS Level 6)	Minimum	\$77,772	\$79,327
	Maximum	\$89,421	\$91,210
Executive Level			
Executive Level 1	Minimum	\$94,241	\$96,310
	Maximum	\$115,233	\$117,538
Executive Level 2	Minimum	\$112,208	\$114,452
	Maximum	\$143,973	\$146,852

Superannuation

In accordance with clause 15 of the EA, DHA makes employer contributions as required by applicable legislation and fund requirements.

Salary packaging

Employees are entitled to salary packaging, whereby they receive part of their salary in forms other than cash. At DHA, employees may salary package cars (novated lease), additional superannuation and/or head office car parking. Salary packaging is subject to necessary internal approvals.

Flexibility arrangements

In accordance with Part F (Flexible Working Arrangements) of the EA, the Managing Director and a staff member employed under the EA may agree to enter into an individual flexibility agreement (IFA) to vary arrangements about when work is performed, overtime rates, penalty rates, allowances, remuneration and/or leave. An IFA must meet the genuine needs of DHA and the employee in relation to one or more of the aforementioned items and be agreed to by DHA and the employee in writing. IFAs are reviewed at least every six months.

Performance pay and salary increases for exceptional performance

In accordance with clause 11 of the EA, employees may be eligible for an annual performance bonus.⁹ Employee performance is reviewed mid-year and at the end of each financial year by their supervisor to assess whether individual targets were exceeded, met or not met. A bonus may be payable where an employee has met or exceeded all targets (or an equivalent as determined by the Managing Director) during the appraisal cycle. The maximum bonus payable in respect of each level is as follows:

Level	Maximum per cent of annual gross base salary
DHA1–DHA4	7.5
DHA5–EL1	12.5
EL2	15.0

In accordance with clause 10.1 of the EA, to recognise exceptional performance, an employee who is assessed as exceeding targets in their performance development agreement will receive a 2 per cent salary increase provided they are not paid more than the maximum salary for their classification level and have been classified at that level for at least six months as at 30 June that year.

Allowances

In accordance with Part H (Allowances) of the EA and DHA policy, EL2 employees and below may be entitled to the payment of various allowances as follows:

- *Higher duties allowance*
Where an employee is required to work at a higher level for a temporary period they may be eligible to be paid a higher duties allowance.
- *Travel and related allowances*
DHA pays employees at EL2 and below allowances for official business travel to cover meals (where not provided) and incidentals unless a corporate credit card is used to pay for business related expenditure.

⁹ Ongoing staff who have at least six months of continuous service with DHA during the relevant appraisal cycle and are still employed on 30 June that year may be eligible for a performance payment. Pro rata payments are made where a staff member was employed on a part time basis, on paid or unpaid leave of more than 12 weeks, or commenced at DHA during the appraisal cycle. Non-ongoing and agency staff are not entitled to performance pay.

- *Additional roles*

Employees who perform one or more of the following roles are entitled to an additional fortnightly allowance:

- first aid officer;
- fire warden or deputy fire warden;
- harassment contact officer; and/or
- health and safety representative.

Other benefits

Employees may undertake professional development, be reimbursed for professional memberships, access various health and wellbeing initiatives and access car parking in accordance with DHA policy and budgetary constraints.

Termination arrangements

Termination arrangements, including notice period and termination payments, for DHA employees are outlined in Part M (Termination of Employment) of the EA.

Long term benefits

DHA employees are only entitled to the accrual of statutory long service leave for APS employees.

Post-employment benefits

There are no additional post-employment benefits, entitlements or arrangements in place for DHA employees other than superannuation.

DHA public office holder remuneration in 2016–17¹

Board member	Base salary or fees ¹ \$	Other fees and benefits ² \$	Superannuation ³ \$	Long service leave ⁴ \$	Total remuneration \$
CDRE Vicki McConachie ⁵	0	0	0	0	0
Mr Ewen Jones ⁶	29,277	3,096	5,066	0	37,439
Ms Andrea Galloway ⁷	35,735	4,275	6,064	0	46,074
Hon Alan Ferguson	55,981	1,568	8,615	0	66,164
Ms Janice Williams	55,981	7,665	6,046	0	69,692
Mr Robert Fisher	55,971	8,845	6,158	0	70,974
Mr Martin Brady	55,981	38,493	8,771	0	103,245
Hon Sandy Macdonald	111,931	4,957	10,633	0	127,521
Ms Jan Mason	378,891	41,147	47,705	13,260	481,003

NOTES

1. In accordance with section 17 of the *Defence Housing Australia Act 1988* (the DHA Act), the fees payable to DHA Board members are prescribed by the Remuneration Tribunal's determination for holders of part time public office. In 2016–17, this was *Determination 2015/20* (effective 1 January 2016) and *Determination 2016/18* (effective 8 December 2016). In accordance with section 50 of the DHA Act, the Managing Director's base salary is determined by the DHA Board within the parameters of the Remuneration Tribunal's determination for Principal Executive Officer (PEO) holders. In 2016–17, this was *Determination 2015/19* (effective 1 January 2016) and *Determination 2016/15* (effective 8 December 2016). All figures are actual amounts, rounded to the nearest dollar.
2. For Board members, 'other fees and benefits' is prepared on a cash basis and includes allowances for membership of DHA's Board Audit Committee and the DHA IML Board and motor vehicle allowance (untaxed). For the Managing Director, 'other fees and benefits' is prepared on a cash basis and includes performance pay for the 2015–16 performance cycle that was paid to the Managing Director in 2016–17 in accordance with the Remuneration Tribunal's determination for PEO holders (refer Table 6.8) and an allowance for the notional value of a paid car space. Figures are rounded to the nearest dollar.
3. Superannuation is payable in accordance with applicable legislation and fund requirements. Figures are rounded to the nearest dollar.
4. Only the Managing Director is eligible for leave provisions, including long service leave. Figures are rounded to the nearest dollar.
5. In accordance with the Remuneration Tribunal's determination for holders of part time public office, CDRE McConachie is not entitled to be remunerated as a member of DHA's Board (part time public office) as she is employed on a full time basis by the Commonwealth. She is entitled to receive travel allowances for official business as a Board member.
6. Mr Jones was appointed to the DHA Board on 21 December 2016.
7. Ms Galloway was appointed to the DHA Board on 9 November 2016.

Senior Executive Group (SEG) member remuneration in 2016–17¹

Senior executive	Base salary or fees ² \$	Other fees and benefits ³ \$	Superannuation ⁴ \$	Long service leave ⁵ \$	Total remuneration \$
Mr Ross Jordan	207,175	28,673	38,367	7,139	281,354
Mr Elvio Bechelli	236,200	30,511	36,237	8,454	311,402
Mr John Dietz	244,355	33,973	31,160	8,799	318,287
Mr Brett Jorgensen	247,691	35,704	44,723	8,799	336,917

NOTES

1. Includes remuneration paid to DHA Senior Executive Group (SEG) members as at 30 June 2017 who have provided DHA written consent to disclose their personal information. The Managing Director's remuneration is shown in Attachment 1. Excludes remuneration paid to former DHA employees (i.e. those not employed by DHA as at 30 June 2017), SEG members who have not provided DHA written consent to disclose their personal information, and final monies paid to an estate. All figures rounded to the nearest dollar.
2. 'Base salary or fees' includes any lease payouts made in service.
3. 'Other fees and benefits' is prepared on a cash basis and includes performance pay for the 2015–16 performance cycle that was paid to senior executives in 2016–17 in accordance with DHA's performance bonus scheme (refer page 14) and an allowance for the notional value of a paid car space. It excludes motor vehicle allowance paid in 2016–17. The total amount payable was less than \$1,500.
4. Superannuation is payable in accordance with applicable legislation and fund requirements.
5. 'Long service leave' includes accrued long service leave liability. It excludes accrued annual leave.

Substantive executive employee remuneration in 2016–17¹

Total remuneration	Executives	Average reportable salary ²	Average contributed superannuation ³	Average allowances ⁴	Average bonus paid ⁵	Average total remuneration
	No.	\$	\$	\$	\$	\$
\$200,000 and less	2	76,162	8,488	–	18,000	102,650
\$200,001 to \$225,000	1	144,718	31,046	–	28,646	204,410
....
\$250,001 to \$275,000	1	207,175	38,367	207	25,860	271,610
\$275,001 to \$300,000	2	221,468	33,054	106	26,574	281,202
\$300,001 to \$325,000	3	246,367	33,071	211	28,741	308,389
\$325,001 to \$350,000	2	260,829	41,522	215	32,073	334,640
....
\$375,001 to \$400,000	1	294,619	46,132	–	38,250	379,001
Total number of SES	12					

NOTES

- Includes remuneration for substantive SES employees employed for part and/or all of 2016–17, including those executives captured in Attachment 2. Excludes final monies paid to an estate. All figures rounded to the nearest dollar.
- Reportable salary is prepared on a cash basis and is the sum of gross payments (excluding bonuses), reportable fringe benefits (net amount), reportable employer superannuation, contributions and exempt foreign employment income, as reported in an individual's payment summary.
- Contributed superannuation is prepared on a cash basis and defined as follows:
 - For individuals that are in a defined contribution scheme (e.g. PSSap), contributed superannuation includes the defined contribution amounts. This is typically located on the individual's payslips.
 - For individuals that are in a defined benefit scheme (e.g. PSS or CSS), contributed superannuation includes the Notional Employer Contribution Rate (NECR) amount, Employer Productivity Superannuation Contribution (also known as the Productivity Component) and any Additional Lump Sum Contribution paid during the financial reporting period.
- Reportable allowance is prepared on a cash basis using reportable allowances as is equal to the 'total allowances' figure as reported in an individual's payment summary. Reportable allowances excludes any allowances already reported in the gross payments line in the payment summary.
- Bonus paid is prepared on a cash basis and is equal to the actual bonus paid to individuals during the reporting period (as a component of gross payments reported on the individual's payment summary). Figures relate to performance pay for the 2015–16 performance cycle that was paid to SES employees in 2016–17.

Highly paid officer remuneration in 2016–17¹

Total remuneration	Highly paid staff No.	Average reportable salary ² \$	Average contributed superannuation ³ \$	Average allowances ⁴ \$	Average bonus paid ⁵ \$	Average total remuneration \$
\$200,001 to \$225,000	12	161,584	28,992	-	20,127	210,702
\$225,001 to \$250,000	8	184,320	29,008	-	20,660	233,988
\$250,001 to \$275,000	3	202,628	32,714	70	26,794	262,207
\$275,001 to \$300,000	1	213,703	38,800	-	24,463	276,966
Total number of staff	24					

NOTES

- Highly paid officers includes DHA employees whose total remuneration was \$200,001 or more in 2016–17. Excludes the Managing Director and SES employees (refer Attachments 1, 2 and 3). All figures rounded to the nearest dollar.
- Reportable salary is prepared on a cash basis and is the sum of gross payments (excluding bonuses), reportable fringe benefits (net amount), reportable employer superannuation, contributions and exempt foreign employment income, as reported in an individual's payment summary.
- Contributed superannuation is prepared on a cash basis and defined as follows:
 - For individuals that are in a defined contribution scheme (e.g. PSSap), contributed superannuation includes the defined contribution amounts. This is typically located on the individual's payslips.
 - For individuals that are in a defined benefit scheme (e.g. PSS or CSS), contributed superannuation includes the Notional Employer Contribution Rate (NECR) amount, Employer Productivity Superannuation Contribution (also known as the Productivity Component) and any Additional Lump Sum Contribution paid during the financial reporting period.
- Reportable allowance is prepared on a cash basis using reportable allowances as is equal to the 'total allowances' figure as reported in an individual's payment summary. Reportable allowances excludes any allowances already reported in the gross payments line in the payment summary.
- Bonus paid is prepared on a cash basis and is equal to the actual bonus paid to individuals during the reporting period (as a component of gross payments reported on the individual's payment summary). Figures relate to performance pay for the 2015–16 performance cycle that was paid to SES employees in 2016–17.