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## DIAMANTINA SHIRE COUNCIL SALARY PACKAGING POLICY

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**CONTROL:**

Policy Type:	Financial
Authorised by:	Council
Head of Power:	
Responsible Officer:	Director Of Corporate Services
Adopted / Approved:	Council Meeting October 2022 - Minute No. 2022.10.10-OM-8
Last Reviewed:	2010
Review:	October 2023
Version:	1

### 1. INTRODUCTION

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**1.1 PURPOSE:**

This policy seeks to:

Ensure that the Council has clearly documented guidelines for the provision of Salary Packaging arrangements with its staff.

**1.2 POLICY OBJECTIVES:**

To support the achievements of corporate and program objectives, Council has established a Salary Packaging facility to supplement its base salary remuneration system in order to improve the attraction, motivation and retention of high quality staff.

To provide access to voluntary salary packaging to permanent Council employees.

To provide net increases in remuneration for employees at no cost to Council, tailored to the individual employee.

To provide a competitive mechanism to attract, retain and motivate quality employees by offering best practice remuneration arrangements.

**1.3 COMMENCEMENT OF POLICY:**

This Policy will commence on adoption by Council. It replaces Councils previous 2009/10 Salary Packaging Policy.

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### 2. POLICY

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#### 2.1 CONTEXT:

To support the achievements of corporate objectives, Council has established a Salary Packaging facility to supplement its base salary remuneration system in order to improve the attraction, motivation and retention of high quality staff.

Voluntary access to salary packaging salary (up to a maximum 50% of the salary amount from which superannuation is calculated) will be made available to permanent employees (employed by Council for greater than 12 months unless otherwise provided in employment arrangements) in accordance with policies and procedures issued by the Australian Taxation Office. This 12-month period applies to agreements which may have been in place at previous Councils where there is an expectation Diamantina Shire Council will continue to carry them over from the previous council unless Councils CEO grants such a continuation.

Any fringe benefits tax payable by Council and advisor/provider administrative costs incurred as a result of this remuneration arrangement will be met by the employee under these provisions.

### 3. STANDARDS AND PROCEDURES

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#### 3.1 POLICY PROVISIONS EMPLOYEE ELIGIBILITY AND CONDITIONS

The provision of salary packaging arrangements for employees of Diamantina Shire Council will be undertaken using the following arrangements:

Salary Packaging is a voluntary option for full and part time employees employed by Council (unless otherwise provided in employment arrangements). The decision to salary package ultimately rests with each individual employee. While it is not compulsory for employees to seek independent financial advice it is strongly advised (written proof of this consultation may be required) prior to entering into a salary packaging arrangement other than superannuation sacrifice. Any fees and charges paid to the preferred service provider or independent advisor are borne by the employee.

#### 3.2 POLICY PROVISIONS COUNCIL'S PREFERRED SERVICE PROVIDER

***Salary Packaging Australia [Salary packaging administration services provider]***

Telephone: 1300 786 664 Monday to Friday 8:00am to 6:00pm

Website [www.salpacaus.com.au](http://www.salpacaus.com.au)

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### 3.2 POLICY PROVISIONS DISCLAIMER

In all cases, employees must conduct and rely upon their own investigation and analysis of the information contained in this policy. No employee should act on the basis of any matter contained in this policy without obtaining independent professional financial advice. Before making any investment decisions employees it is extremely advisable on whether salary packaging is appropriate in light of their particular investment needs, objectives and financial circumstances. Council may require written proof that advice has been obtained before Council will enter into a salary packaging arrangement for any staff member.

Diamantina Shire Council, each of its employees and all persons involved in the preparation of this Policy expressly disclaim all liability for any loss or damage of whatsoever kind which may arise from any person acting or relying on any statements contained in this policy, notwithstanding any negligence, default or lack of care.

### 3.3 POLICY PROVISIONS AUTHORITY AND RESPONSIBILITY

The Director of Corporate Services accountable for all aspects including the interpretation of this policy and for the updating of and compliance with the policy. The policy may not be amended without the approval of the CEO.

The following table lists the roles within this policy and the areas of responsibility:

Role	Responsible for
Chief Executive Officer	<ul style="list-style-type: none"> <li>Approval of this policy.</li> <li>Set global funding limit from Council cash flow.</li> <li>Authorise amendments to this policy.</li> <li>Authorise salary-packaging arrangements on behalf of Council.</li> </ul>
Director of Corporate Services	<ul style="list-style-type: none"> <li>Administration of this policy.</li> </ul>
Payroll Staff	<ul style="list-style-type: none"> <li>Implement the salary packaging and new net pay details for each employee.</li> <li>Deduct correct amounts from employee salaries to cover salary sacrifice costs.</li> </ul>
Preferred Provider	<ul style="list-style-type: none"> <li>Administers employee's benefit payments.</li> <li>Provides reports to employees and employers.</li> <li>Provides education advice and support to employees on salary packaging advantages.</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Determination to salary sacrifice.</li> <li>Obtain financial advice.</li> </ul>

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### 3.4 POLICY PROVISIONS RECORDKEEPING

All records relating to the council employees' approved salary packaging arrangements are to be returned to Councils Records Officer by either SPA or the employee for placement in the employees Human Resources Personnel file. This includes any initial authorization by the Council officer responsible and deeds of Novation. It is in order to complete records for calculation of Fringe benefits tax accruing to Council and further reimbursement by the employee.

### 3.5 DECIDING TO UNDERTAKE SALARY SACRIFICE AGREEMENTS

Diamantina Shire Council is not a professional taxation or financial advisor and consequently cannot offer taxation or financial advice to employees. It is advisable that employees seek the advice of an independent financial and/or taxation adviser before entering into a salary packaging arrangement so as to understand the likely financial and taxation implications.

## 1. REFERENCE AND SUPPORTING INFORMATION

### 4.1 DEFINITIONS:

To assist in interpretation, the following definitions shall apply:

Word / Term	Definition
Council	Means Diamantina Shire Council.

### 4.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

Links to supporting documentation
Nil

### 4.3 VERSION CONTROL:

Previous Version Number
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