

STATUTORY AND OTHER OFFICES REMUNERATION TRIBUNAL

Report and Determination for the first person to be appointed as Secretary of the NSW Treasury since the commencement of the *Government Sector Employment Act 2013* (pursuant to Section 24P of the *Statutory and Other Offices Remuneration Act 1975*)

PREMIER'S DIRECTION

1. On 25 May 2015 the Premier, the Hon Mike Baird MP, directed the Statutory and Other Offices Remuneration Tribunal (the Tribunal) pursuant to section 24P of the *Statutory and Other Offices Remuneration Act 1975* (SOOR Act) to make a determination as to, and (if so) how, the determination of the range of remuneration packages of Band 4 Public Service Senior Executives should be altered in relation to the first person to be appointed as Secretary of the NSW Treasury since the commencement of the *Government Sector Employment Act 2013* (GSE Act).
2. Section 24P of the SOOR Act provides for the Premier to direct the Tribunal to make a special determination in the following terms:

24P Special determinations

If the Minister so directs, the Tribunal is required to make (not later than the day specified in the direction as the day on or before which the determination is to be made) a determination as to whether, and (if so) how, any determination already made should be altered in relation to remuneration packages as are referred to in the direction.

3. The Secretary of NSW Treasury will be employed as a Public Service Senior Executive (PSSE) Band 4 – Secretary Level. The determination already made in respect of PSSE Band 4 – Secretary Level is the Tribunal's 2014 annual determination which provides the following remuneration package range:

| Band | Per annum range | | |
|--------------------------|-----------------|----|-----------|
| Band 3 - Secretary level | \$430,451 | to | \$497,300 |

4. The Premier has directed the Tribunal to alter its determination of 1 July 2014 in respect of the remuneration range for Band 4 in relation to the remuneration

package for the first person to be appointed as Secretary, NSW Treasury since the commencement of the GSE Act.

BACKGROUND

5. In directing the Tribunal to make this determination the Premier has requested that an appropriate remuneration package be determined prior to an appointment being made. The need for additional remuneration is supported by the responsibilities and scope of the role.
6. NSW Treasury advises the NSW Government on state financial management policy and reporting, on economic conditions and issues, and on industrial relations matters. NSW Treasury also coordinate the State Budget, manage the State's financial assets, monitor the performance of the State's commercial agencies, implement industrial relations policy, and monitor and review policy, expenditure and budgets of NSW Government agencies.
7. The Secretary of NSW Treasury provides strategic leadership to the Department and any related executive agencies to ensure the delivery of their policy and corporate objectives. The Secretary is responsible for the development and delivery of economic policy and financial management strategies to deliver services for NSW in line with the Government's strategic objectives.
8. The Secretary of the NSW Treasury is one of the State's most senior public servants and as such has unique leadership and stewardship responsibilities beyond Treasury including providing expert and independent advice to the NSW Government on the State Budget.
9. In determining the appropriate remuneration the Tribunal has had regard to the role and responsibilities of the position and the remuneration provided to similar roles in other jurisdictions.
10. The Tribunal is of the view that the remuneration package for the first person to be appointed as Secretary of the NSW Treasury since the commencement of the GSE Act will be \$550,000 per annum. In addition to this base amount a discretionary remuneration range of up to 12 per cent will apply. This

determination will alter the Tribunal's determination in respect of Band 4 remuneration levels.

11. The Tribunal's determination is consistent with advice contained in the Premier's direction and provides flexibility for remuneration movement over time if the person appointed as Secretary, NSW Treasury exceeds performance expectations, as assessed by the Premier.
12. The Tribunal notes that remuneration for the most senior roles should be sufficient to ensure the best candidates can be attracted, and retained, to work for the NSW Government. While remuneration is not always the primary consideration in a decision to seek public employment, it is important that executive salaries remain competitive with those in other jurisdictions and in the private sector.
13. When making a determination for a specific senior executive section 24R of the SOOR Act requires that the individual be named in the following terms:

24R General provisions relating to the determinations

(1) In making a determination, the Tribunal:

- (c) may provide that a different remuneration package applies in the case of particular senior executives named in the determination (but only if the Minister has requested the Tribunal to do so),...*

14. This determination cannot name an individual as an appointment has not yet been made. Instead, and in accordance with section 24R, the determination has otherwise identified the proposed appointee in the following terms - the first person appointed as Secretary of the NSW Treasury, since the commencement of the GSE Act. The determination is not a determination that applies to the role of Secretary of the NSW Treasury or to future appointments to that role.
15. The Tribunal's determination will take effect from the date of the appointment of the first person appointed as Secretary of the NSW Treasury since the commencement of the GSE Act.
16. As this determination is made close to the 2015 Annual Determination, there will be no further adjustment to the remuneration package for the person appointed to

this role, as a result of any general increases provided across the PSSE group with effect from 1 July 2015.

DETERMINATION

Pursuant to section 24P of the *Statutory and Other Offices Remuneration Act 1975* the Tribunal determines that the range of remuneration packages of Band 4 Public Service Senior Executives is altered to provide for the first person appointed as Secretary of the NSW Treasury, since the commencement of the *Government Sector Employment Act 2013*, with a remuneration package of \$550,000 per annum plus a discretionary remuneration range of up to 12 per cent in addition to the base amount.

| Band | Per annum range | | | |
|--------------------------|-----------------|----|-----------|--|
| Band 4 - Secretary level | \$430,451 | to | \$497,300 | First person appointed as Secretary of NSW Treasury under section 23 of the Government Sector Employment Act 2013: \$550,000 per annum plus a discretionary remuneration range of up to 12 per cent in addition to the base remuneration. |

Statutory and Other Offices Remuneration Tribunal



Richard Grellman AM
1 June 2015