Annual Determination

Report and determination under section 24C of the Statutory and Other Offices Remuneration Act 1975

7 August 2018

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Section 1

Background

- The Chief Executive Service and Senor Executive Services¹ were employed under the provisions of the former *Public Sector Employment and Management Act 2002* (PSEM Act). That Act was repealed in 2013 and replaced with the *Government Sector Employment Act 2013* (GSE Act). The GSE Act commenced on 23 February 2014 and provided for new executive employment arrangements.
- 2. Senior executives (being either Public Service senior executives (PSSE), Health Service senior executives (HSSE) or Transport Service senior executive (TSSE)) are now employed in a PSSE band and will receive remuneration packages applicable to each band as determined in accordance with Part 3B of the Statutory and Other Offices Remuneration Act 1975 (SOOR Act) and outlined in the PSSE Annual Determination.
- 3. There are a small number of 'transitional former senior executives' and executives employed in the NSW Police Force Senior Executive Service who continue to be eligible for remuneration packages as determined under Part 3A of the SOOR Act. For that reason the Tribunal will continue to make a determination for the SES remuneration ranges. The Tribunal will review these arrangements each year to determine whether further determinations are required.

Transitional former senior executives

4. Transitional arrangements have ceased for executives who were in the SES or who were Senior Officers or in equivalent classifications under the former PSEM Act. The exception being executives who continue to receive a remuneration package equivalent to the remuneration package of the executive immediately before the repeal of the former PSEM Act (unless the remuneration package is increased as a result of a determination

¹ Unless otherwise stated, the Chief Executive Service and the Senior Executive Service are referred to collectively in the Report and Determination as SES.

of the Tribunal made under Part 3A of the SOOR Act). There may be executives that are covered by the following provisions under Schedule 4 of the GSE Act:

- persons continuing in office as head of a Public Service agency under clause
 7(2)
- persons holding office as head of a Public Service agency under clause 7(5)
- the statutory officers listed in clause 8A(1).
- 5. This determination will apply to executives and office holders who continue to be subject to the transitional arrangements provided for in Schedule 4 of the GSE Act and the executives covered by the following arrangements in the NSW Police Force and NSW Health Service.

NSW Police Service Senior Executives

- 6. The *Police Act 1990* was amended on 31 October 2017 to provide for NSW Police Force senior executives to be employed in a Public Service senior executive band. The remuneration package of a NSW Police Force senior executive must be within the range determined under the SOOR Act for the band in which the executive is employed. These remuneration ranges are determined in accordance with Part 3B of the SOOR Act and published in the Public Service senior executive determination.
- 7. In accordance with Schedule 4 of the *Police Act 1990* transitional arrangements are in place for existing police senior executives and administrative senior executives employed under the former senior executive provisions. These executives continue to receive a remuneration package as provided for under the former senior executive provisions, being the ranges determined in this determination pursuant to Part 3A of the SOOR Act. Transitional arrangements will continue until the latest implementation date applicable to each executive subject to these arrangements. From the latest implementation date the new senior executive provisions will apply.

NSW Health Service Senior Executives

8. The Tribunal has historically determined remuneration ranges which applied to certain executives in the Heath Service - the Specialist Medical Skills Determination and the

General Medical Skills Determination. Senior executives in the NSW Health Service are now aligned to the employment arrangements for PSSEs under the GSE Act. The Tribunal will retain the Specialist Medical Skills Determination and the General Medical Skills Determination for administrative purposes to cover transitional arrangements.

Section 2

Determination

Government Wages Policy

- 9. In determining remuneration for the SES the Tribunal is required pursuant to Section 6AA of the SOOR Act to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission (IRC) is required to give effect to under section 146C of the *Industrial Relations Act 1996* (the IR Act) when making or varying awards or orders relating to the conditions of employment of public sector employees.
- 10. The current policy on wages pursuant to section 146(1)(a) of the IR Act is specified in the *Industrial Relations (Public Sector Conditions of Employment) Regulation 2014* (the IR Regulation). The effect of the IR Regulation is that public sector wages cannot increase by more than 2.5 per cent. Any increase beyond 2.5 per cent can only be awarded if sufficient employee-related cost savings have been achieved to fully offset the increased employee-related costs.

Government Submission

11. The Secretary NSW Treasury provided the Government submission to the Tribunal on 9 July 2018. The submission outlines the applicability of the NSW Government's wages policy and provides an overview of the economic conditions of the State. Having regard to that advice the Tribunal considers that the Budget position for the State of NSW supports an increase of 2.5 per cent. This increase is also consistent with wages growth for non-executive employees across the public sector.

2018 General Increase

12. The Tribunal, after consulting with the Assessors and having regard to the provisions of section 6AA of the SOOR Act, determines an increase of 2.5 per cent for all officers subject to this determination, effective on and from 1 July 2018. The new rates are as

set out in Determinations Nos. 1, 2, 5 and 6. The existing rates for the Recruitment and

Retention Allowances continue to apply as set out in Determinations Nos. 3 and 4.

Chief Executive Officer and Coordinator General, Infrastructure NSW

13. Transitional arrangements currently apply to the office holder appointed to the role of

Chief Executive Officer and Co-ordinator General (CEO) of Infrastructure NSW (INSW).

The Tribunal has determined a remuneration package for the role in this determination.

Commencing on 28 November 2018, the office holder currently appointed to the role of

CEO of INSW - Mr Jim Betts - will be appointed to this role as a PSSE for a two year term.

On that basis the Tribunal has also determined the remuneration package payable to Mr

Jim Betts in the role of CEO of INSW in the Public Service senior executive (PSSE)

determination. Both determinations apply the 2.5 per cent increase over the

remuneration package determined from 1 July 2017.

Statutory and Other Offices Remuneration Tribunal

Signed

Richard Grellman AM

Dated: 7 August 2018

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Section 3

Determination No. 1- Remuneration Package Ranges for the SES

The Tribunal determines that the remuneration package ranges for executive office holders effective on and from 1 July 2018 shall be:

CES/SES	Per annum range		
Remuneration Level 8	\$475,151	to	\$548,950
Remuneration Level 7	\$378,851	to	\$475,150
Remuneration Level 6	\$337,101	to	\$378,850
Remuneration Level 5	\$292,251	to	\$337,100
Remuneration Level 4	\$268,001	to	\$292,250
Remuneration Level 3	\$235,951	to	\$268,000
Remuneration Level 2	\$220,001	to	\$235,950
Remuneration Level 1	\$187,900	to	\$220,000

Determination No. 2 – Chief Executive Officer and Co-ordinator General, Infrastructure NSW

The Tribunal determines that the remuneration package for the Chief Executive Officer and Co-ordinator General, Infrastructure NSW shall be \$605,500 per annum effective on and from 1 July 2018.

Determination No. 3 - Recruitment Allowance

The recruitment allowance applies only to transitional executives who received the allowance under the former SES remuneration arrangements. These rates have not been increased.

CES/SES		Maximum Allowance		
Levels 7 and 8	up to	\$43,000		
Levels 5 and 6	up to	\$30,000		
Levels 3 and 4	up to	\$23,000		
Levels 1 and 2	up to	\$19,000		

Determination No. 4 - Retention Allowance

The retention allowance applies only to transitional executives who received the allowance under the former SES remuneration arrangements. These rates have not been increased.

CES/SES	Maximum Allowance		
Levels 7 and 8	up to	\$43,000	
Levels 5 and 6	up to	\$30,000	
Levels 3 and 4	up to	\$23,000	
Levels 1 and 2	up to	\$19,000	

Determination No. 5 - Remuneration Packages for Specialist Medical Skills

The Tribunal determines that the remuneration package ranges for offices identified as requiring specialist medical skills effective on and from 1 July 2018 shall be:

Specialist Medical Skills	Per annum range		
Remuneration Level 6	\$347,200	to	\$425,250
Remuneration Level 5	\$345,850	to	\$409,800
Remuneration Level 4	\$339,850	to	\$394,450
Remuneration Level 3	\$324,250	to	\$376,300
Remuneration Level 2	\$304,300	to	\$353,100
Remuneration Level 1	\$280,700	to	\$322,250

Determination No. 6 - Remuneration Packages for General Medical Skills

The Tribunal determines that the remuneration package ranges for offices identified as requiring general medical skills effective on and from 1 July 2018 shall be:

General Medical Skills	Per annum range		
Remuneration Level 2	\$244,300	to	\$283,500
Remuneration Level 1	\$224,600	to	\$257,800

The Statutory and Other Offices Remuneration Tribunal

Signed

Richard Grellman AM

Dated: 7 August 2018