

Public Office Holders Group

Annual Determination

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

21 July 2022

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Section 1

Background

Legislative Framework

1. Section 13 of the *Statutory and Other Offices Remuneration Act 1975* (SOOR Act) requires that each year the Tribunal make a determination on the remuneration to be paid to office holders on and from 1 July in that year. Section 10A defines 'remuneration' as salary or allowances paid in money.
2. The Public Office Holders Group comprises those public offices, listed in the schedules of the SOOR Act (except for the Judges and Magistrates Group and the Court and Related Officers Group), which have been grouped together by the Tribunal for remuneration purposes. The remuneration for these office holders is determined as a fixed salary amount. Employer on-costs, such as the Superannuation Guarantee Contribution, are additional to the salary amount determined. This group also comprises any office holders who, pursuant to section 11A of the SOOR Act, have elected to receive, and for whom the Minister has approved access to, remuneration packaging arrangements that are provided to Public Service senior executives under the *Government Sector Employment Act 2013*.

Government Wages Policy

3. The Tribunal is required, when making determinations under Part 3 of the SOOR Act, to give effect to any policy concerning the remuneration of office holders as declared by the regulations. Section 6AB of the SOOR Act applies to the Tribunal's determinations in respect of office holders in the Judges and Magistrates Group, the Court and Related Officers Group and the Public Office Holders Group. Government policy concerning the remuneration of office holders to which Part 3 of the SOOR Act applies is declared in the *Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Regulation 2013* (the SOOR Regulation).
4. On 6 June 2022, the NSW Government announced a new public sector wages policy.¹ The two year policy offered non-executive employees a 3 per cent remuneration increase in 2022-23 and 2023-24, with a possible further 0.5 per

¹ NSW Government. (2022). *NSW Government lifts wages and recognises health workers*. <https://www.nsw.gov.au/media-releases/budget-2022-public-sector-wages#:~:text=The%20new%20two%2Dyear%20policy,substantial%20contribution%20to%20productivity%20enhancing>

cent on offer for employees that make a substantial contribution to productivity enhancing reforms. The Government also announced its position to limit executive remuneration increases to 2 per cent in the 2022-23 financial year

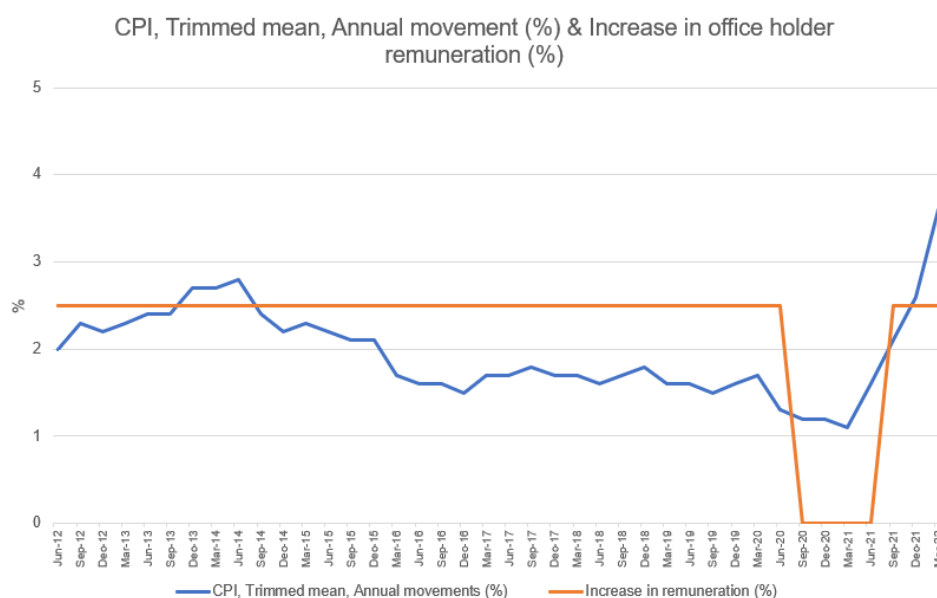
5. The *Industrial Relations (Public Sector Conditions of Employment) Regulation 2014* was amended to reflect this policy but the SOOR Regulation was not amended. Therefore, in accordance with the clause 6 of the SOOR Regulation, any increase the Tribunal may determine in excess of 2.5 per cent, be it a general increase available to all office holders, or an increase provided to an individual office holder or group of office holders based on changes in work value, could be awarded if officer-related cost savings for the office holder (or group of office holders) have been achieved to fully offset the increased officer-related costs resulting from increased payment.
6. The Tribunal observes there have been few examples of officer-related cost savings being successfully identified. The Tribunal notes it remains open to receiving submissions that demonstrate the genuine achievement of officer-related cost savings.
7. Since the introduction of the SOOR Regulation in 2013 office holders in the Public Office Holders Group have received general annual increases capped at 2.5 per cent, apart from 2020 when there was a temporary wage pause pursuant to Clause 5A of the SOOR Regulation commencing 29 May 2020 and ending 12 months after that date.

Economic Analysis

8. As outlined in its 2022-23 Budget papers,² the Government expects the economy to grow at an above-trend pace on average across the forecast horizon to 2025-26, supported by strong near-term momentum in the labour market and the resilient state of aggregate balance sheets.
9. A combination of global supply chain shocks and the impacts of COVID-19 has driven increases in inflation across most of the developed world. Underlying inflation, which excludes items that have particularly large price changes during a given period, point to broader inflationary pressures in the economy.

² NSW Government. (2022). *NSW Budget 2022-23, No.01 Budget Statement Budget Paper*. https://www.budget.nsw.gov.au/sites/default/files/2022-06/2022-23_03_Budget-Paper-No-1-Budget-Statement.pdf

10. Annual headline inflation in Sydney was 4.4 per cent through the year to the March quarter 2022. This was lower than the national headline figure of 5.1 per cent. National underlying inflation rose by 3.5 per cent in the March 2022 quarter, which is above the RBA's target band of 2-3 per cent.
11. The Government expects inflation to peak at a lower rate than has been observed in various other countries. Growth in headline and underlying inflation is expected to peak in late 2022 before easing back to the top of the RBA's 2-3 per cent inflation target by end of 2023. This reflects an anticipated gradual easing of inflationary pressures as global supply chain issues are resolved and the effects of monetary policy normalisation from the RBA, and other global central banks, flow through to the economy.
12. The Tribunal acknowledges the short-term impacts of higher than expected inflation. The Tribunal observes however that from June 2012 to June 2020, underlying inflation has for the most part³ grown at a lower pace than increases in remuneration for the Public Office Holders Group.⁴



³ In 2014 the Tribunal awarded the equivalent of a 2.5 per cent annual increase in remuneration to public office holders. For salaried office holders, this was adjusted to 1.88 per cent, inclusive of the increase in the SGC that occurred that year. The lower rate was due to the determination coming into effect 1 July 2014, rather than 1 October as had applied in earlier determinations.

⁴ Australian Bureau of Statistics. (2022). *CPI, Trimmed mean and Weighted median, Annual movement (%)*. <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

2021 Determination

13. On 5 August 2021, the Tribunal determined that office holders in the Public Office Holders Group would receive the maximum permissible increase of 2.5 per cent, adjusted to 2.04 per cent to take into account the (Superannuation Guarantee Contributions) SGC increase. The increases were consistent with the increases recommended in the Government submission.

Section 2

2022 Annual Review

14. On 7 March 2022, the Tribunal wrote to office holders advising of the commencement of the 2022 annual review. The Tribunal did not hold meetings with office holders as part of this process.

Office Holder Submissions

15. The Tribunal received one submission from office holders in the Public Office Holder Group. This submission was from the Chair of the Electricity Retained Interest Corporation – Ausgrid. The submission sought an increase of 2.5 per cent in remuneration, taking into account the change in the SGC for all members of the Board.

Government Submission

16. The Secretary, Department of Premier and Cabinet provided the Government submission to the Tribunal on 8 July 2022. The submission recommends the following increases having regard to the increase in SGC from 1 July 2022:

“With the impact of the COVID-19 pandemic on the NSW economy coupled with inflation, limiting increases to these groups to 2.0 per cent contributes to restoring the budget to a sustainable position to ensure public services can continue to be delivered to the community. This approach also sends a good message to the community, whose main concerns are focussed on front-line workers such as nurses and teachers.

An increase of 2.0 per cent in remuneration, effective from 1 July 2022, is recommended for all employees and office holders whose total remuneration package (“TRP”) is determined by the Tribunal and an increase of 1.53 per cent for non-TRP employees and office holders, for the following groups of employees and office holders covered under the Statutory and Other Offices Remuneration Act 1975:

- *Public Service Senior Executives (including government sector senior executives in the NSW Police Service, NSW Health Service, and the Transport Service)*
- *Public Office Holders Group*
- *Chief and Senior Executive Officers (SES)*
- *Judges and Magistrates Group*
- *Court and Related Officers Group*

The discounted increases of 1.53 per cent is recommended for non-TRP employees and office holders as this discounted amount takes into account the increase to the Superannuation Guarantee Charge (“SGC”) of 0.5 percentage points from 1 July 2022 and uses the same methodology as applied when superannuation was last increased in 2021. This methodology recognises that superannuation is not payable on superannuation itself and as a result, the cost of the additional SGC is less than a 0.5 per cent pay increase.”

Superannuation Guarantee Contributions

17. From 1 July 2022, the general Superannuation Guarantee Contribution (SGC) increases from 10.00% to 10.50%.⁵
18. In dealing with the SGC increases, the Tribunal has determined that it is required to take into account the cost of SGC increases, except where office holders have elected to receive a total remuneration package pursuant to s.11A of the SOOR Act.
19. The Tribunal’s previous determinations on the matter of SGC increases continue to apply. Accordingly, for the 2022 determination, for office holders in Determination No. 1, it is open to the Tribunal to determine an annual increase in remuneration of up to 2.5 per cent adjusted accordingly to account for the SGC increase. There are currently no office holders who have elected to receive a total remuneration package pursuant to section 11A of the SOOR Act.

⁵ Australian Taxation Office. (2022). *Super guarantee percentage*. https://www.ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/?=redirected_SuperRate&anchor=Superguaranteepercentage#Superguaranteepercentage

Section 3

2022 Annual Determination

20. After considering submissions received and provisions of section 6AB of the SOOR Act the Tribunal finds those office holders the subject of this determination should receive an increase of 2 per cent, adjusted to 1.53 per cent to take into account the SGC increase.
21. This is consistent with the increases recommended in the Government submission. The Tribunal agrees that limiting the increase to 2 per cent will assist in restoring the budget to a sustainable position, and ensure that public services can continue to be delivered to the community.
22. In fulfilling its functions, the Tribunal consulted with the Secretary of the Department of Premier and Cabinet, in their capacity as Assessor under the SOOR Act. The other assessor role is currently vacant.
23. Pursuant to Section 13 of the SOOR Act the Tribunal determines that an increase of 1.53 per cent will apply to office holders in the Public Office Holders Group on and from 1 July 2022, as specified in Determinations No. 1.

Statutory and Other Offices Remuneration Tribunal

Signed

The Hon. Greg Pearce

Dated: 21 July 2022

Section 4

Determinations

Determination No. 1 – Public Office Holder Group

Annual determination of the remuneration of the Public Office Holder Group effective on and from 1 July 2022

Public Office Holder	Salary per annum
Public Service Commissioner	\$560,860
Chief Commissioner of the Law Enforcement Commission	\$529,940
Auditor General	\$521,740
Ombudsman	\$520,385
Commissioner, NSW Crime Commission	\$516,360
Assistant Commissioner, NSW Crime Commission	\$489,180
President, Mental Health Review Tribunal	\$422,250
Electoral Commissioner	\$406,110
Full-time Commissioner of the Law Enforcement Conduct Commission	\$397,455
Valuer General	\$375,685
Workers Compensation Independent Review Officer	\$374,880
Deputy President Mental Health Review Tribunal	\$369,430
Information Commissioner	\$366,335
Deputy President of the Personal Injury Commission	\$361,815
Privacy Commissioner	\$353,515
Mental Health Commissioner	\$339,890
Parliamentary Budget Officer	\$335,010
Full-time non-presidential member of the Personal Injury Commission: Principal Member (Division Head of the Workers Compensation Division)	\$333,715
Full-time non-presidential member of the Personal Injury Commission: Principal Member (Division Head of the Motor Accidents Division)	\$333,715
Inspector of Custodial Services	\$323,070
Small Business Commissioner	\$318,285
Deputy Chairperson, Law Reform Commission	\$315,120

Full-time non-presidential member of the Personal Injury Commission: Principal Member (legally qualified)	\$300,440
Commissioner, Law Reform Commission	\$299,855
Clerk of the Legislative Assembly	\$294,220
Clerk of the Parliaments	\$294,220
Executive Manager, Parliamentary Services	\$294,220
Full-time non-presidential member of the Personal Injury Commission: Principal Member (not legally qualified)	\$276,615
Full-time non-presidential member of the Personal Injury Commission: Senior Member (legally qualified)	\$273,080
Deputy Mental Health Commissioner	\$272,145
Deputy Clerk, Legislative Assembly	\$252,565
Deputy Clerk, Legislative Council	\$252,565
Full-time non-presidential member of the Personal Injury Commission: Senior Member (not legally qualified)	\$251,500
Full-time non-presidential member of the Personal Injury Commission: General Member (legally qualified)	\$249,675
Registrar, Aboriginal Land Rights Act 1983	\$233,330
Assessor (<i>Local Court Act 2007</i>)	\$223,255
Full-time non-presidential member of the Personal Injury Commission: General Member (not legally qualified)	\$216,760
Chairperson, Board of the Aboriginal Housing Office	\$174,210
Part-time Chairperson of a Board of Governors of a Corporation constituted by the <i>Electricity Retained Interest Corporations Act 2015</i>	\$171,540
Member of the New South Wales Aboriginal Land Council (Note 1)	\$166,800
Part-time Member of a Board of Governors of a Corporation constituted by the <i>Electricity Retained Interest Corporations Act 2015</i>	\$91,485
Chairperson, Infrastructure NSW	\$89,660
President Mental Health Review Tribunal (part time daily rate)	\$1,755
Deputy President Mental Health Review Tribunal (part time daily rate)	\$1,535
Acting Deputy President of the Personal Injury Commission (part time daily rate)	\$1,500
Assessor <i>Local Court Act 2007</i> (daily rate)	\$925

Note 1: The Chairperson shall receive an allowance of 10% (i.e. a total of \$183,480 per annum) and the Deputy Chairperson shall receive an allowance of 5% (i.e. a total of \$175,140 per annum).

Leave Loading

An annual leave loading shall be payable on the same terms and conditions as are applicable to officers and employees of the Public Service of New South Wales.

Statutory and Other Offices Remuneration Tribunal

Signed

The Hon. Greg Pearce

Dated: 21 July 2022