

STATUTORY AND OTHER OFFICES REMUNERATION TRIBUNAL

Report and Determination for the first persons to be appointed as Secretary of the Department of Finance, Services and Innovation, Secretary of the Department of Transport for NSW and Secretary of the Department of Industry, Skills and Regional Development 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 2 July 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 persons to be appointed as Secretary of the Department of Finance, Services and Innovation, Secretary of the Department of Transport for NSW and Secretary of the Department of Industry, Skills and Regional Development 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 the Department of Finance, Services and Innovation, Secretary of the Department of Transport for NSW and Secretary of the Department of Industry, Skills and Regional Development will each 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 2015 annual determination which provides the following remuneration package range:

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Band	Per annum range		
Band 4 - Secretary level	\$441,201	to	\$509,750

4. The Premier has directed the Tribunal to alter its determination of 1 July 2015 in respect of the remuneration range for Band 4 in relation to the remuneration package for the first persons to be appointed to the above mentioned roles since the commencement of the GSE Act.

BACKGROUND

5. In directing the Tribunal to make this determination the Premier has had regard to the remuneration paid to Secretaries and other senior roles across the NSW Government Sector and the responsibilities and scope of the roles as summarised below.
6. The Department of Finance Services and Innovation supports the Minister for Finance, Services and Property and the Minister for Innovation and Better Regulation. The Department has a diverse portfolio which provides some central government agency functions, services to government agencies in the areas of procurement, ICT strategy, data centres, construction and property, insurance and service delivery to citizens of NSW in the areas of workers compensation and motor accidents insurance, consumer protection, land valuation and transactions and fines and tax collection.
7. The Secretary of the Department of Finance, Services and Innovation provides strategic leadership to the Department and any executive agencies related to the Department, drives Departmental performance and provides expert and independent advice to the portfolio Ministers. The Secretary ensures effective delivery of whole of government policies and programs, specialised activities, legislative and regulatory practice that focus on best practice in public sector

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management, governance, innovation and client focussed service delivery standards.

8. The Department of Transport for NSW is the principal department in the NSW Transport cluster and supports the Minister for Transport and the Minister for Roads and Freight. The Department is an integrated authority responsible for the coordination of planning and policy across all modes of transport. The Department develops regulations, policies and legislation to ensure that transport is delivered to a high standard, meets community needs, protects assets and public money, minimises environmental impact, and ensures the community is safe.
9. The Secretary of the Department for Transport for NSW must forge effective partnerships and networks with all levels of Government, industry and other key stakeholders, to lead and contribute to strategic thinking on state wide and national transport policies and plans. The role provides strategic leadership and direction to the Government to support the delivery of the best value for money transport outcomes for NSW.
10. The Department of Industry, Skills and Regional Development supports the Minister for Industry, Resources and Energy, Minister for Regional Development, Minister for Skills, Minister for Small Business, Minister for Primary Industries, and Minister for Lands and Water. The Department supports the development of globally competitive and sustainable NSW industries to attract investment, increase trade and create new jobs and achieves results by engaging and collaborating with business, industry and the community. The Department works to secure and regulate energy and mineral resources for NSW, support profitable food and fibre industries, and promote and demonstrate best practice natural resource management.

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11. The Secretary of Industry, Skills and Regional Development leads the strategic direction of the Department, and its cluster agencies and state owned corporations. The role provides expert and independent high level strategic advice to the portfolio Ministers, Premier and Parliament, guiding and delivering Government policy directives to support a strong and diverse economy, sustainable economic growth, innovation and investment for the economy of NSW.
12. In determining the appropriate remuneration for the three Secretary roles the Tribunal has had regard to their roles and responsibilities and the remuneration provided to similar roles in NSW and other jurisdictions.
13. The Tribunal is of the view that the remuneration package for the first persons to be appointed as Secretary of the Department of Finance, Services and Innovation, Secretary of the Department of Transport for NSW and Secretary of the Department of Industry, Skills and Regional Development since the commencement of the GSE Act will be \$495,000 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.
14. The Tribunal's determination is consistent with advice contained in the Premier's direction and provides flexibility for remuneration movement over time if the persons appointed to these roles exceed performance expectations, as assessed by the Premier.
15. 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

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decision to seek public employment, it is important that executive salaries remain competitive with those in other jurisdictions and in the private sector.

16. 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),...*

17. In accordance with the Premier's direction this determination identifies the proposed appointees in the following terms - the first person appointed as Secretary of the Department of Finance, Services and Innovation, the first person appointed as Secretary of the Department of Transport for NSW and the first person appointed as Secretary of the Department of Industry, Skills and Regional Development, since the commencement of the GSE Act. The determination is not a determination that applies to the above mentioned roles or to future appointments to those roles.

18. The remuneration applicable to each of these roles is determined to take effect from the date of commencement of each appointment.

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 persons appointed as Secretary of the Department of Finance, Services and Innovation, Secretary of the Department of Transport for NSW and Secretary of the Department of Industry, Skills and Regional Development, since the commencement of the *Government Sector*

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Employment Act 2013, with a remuneration package of \$495,000 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	\$441,201	to	First person appointed as Secretary of the Department of Finance, Services and Innovation under section 23 of the Government Sector Employment Act 2013: \$495,000 per annum plus a discretionary remuneration range of up to 12 per cent in addition to the base remuneration.
			First person appointed as Secretary of Transport for NSW under section 23 of the Government Sector Employment Act 2013: \$495,000 per annum plus a discretionary remuneration range of up to 12 per cent in addition to the base remuneration.
			First person appointed as Secretary of the Department of Industry, Skills and Regional Development under section 23 of the Government Sector Employment Act 2013: \$495,000 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

9 July 2015