# Governor of New South Wales

Annual Determination

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

7 September 2020

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## **Background**

- 1. Section 13 of the *Statutory and Other Offices Remuneration Act 1975* (the SOOR Act) requires the Tribunal, each year, to make a determination on the remuneration to be paid to office holders. "Remuneration" is defined in section 10A as salary or allowances paid in money.
- 2. Schedule 6, Part 3, clause (3)(2) of the SOOR Act provides for the determination in respect to the office of Governor to be taken as a determination under section 13 in the following terms:

#### 3 Governor's salary

- (1) On, or as soon as practicable after, the commencement of the Constitution Amendment (Governor's Salary) Act 2003, the Tribunal is to make a determination of the remuneration to be paid to the holder of the office of Governor as on and from the day specified for that purpose in the determination (which may, but need not, be the day on which that Act commences).
- (2) A determination under this clause is taken to be a determination under section 13. However, sections 17 (2) and 20 (1) (b) do not apply to a determination under this clause.
- (3) A determination under this clause comes into force, or is taken to have come into force, on the day specified for that purpose in the determination (which may, but need not, be the day on which the Constitution Amendment (Governor's Salary) Act 2003) commences.
- 3. The effect of the above clause is that an annual determination in respect of the Governor's salary does not take effect from 1 July. Instead, annual determinations of the Governor's salary take effect from the anniversary of the commencement of the Tribunal's special determination made on 5 June 2014. That special determination took effect on or after the commencement date of the Constitution Amendment (Governor's Salary) Act 2003, that being 2 October 2014.

### **Government Wages Policy**

- 4. 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 the Governor. 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).
- 5. Until recently, 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 only be paid 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. On 29 May 2020 the Premier, the Hon Gladys Berejiklian MP, made the Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Amendment (Temporary Wages Policy) Regulation 2020. That regulation amended the SOOR Regulation 2014 to implement a temporary wages policy, being a 12-month pause on remuneration increases for office holders covered by Part 3 of the Statutory and Other Offices Remuneration Act 1975. The SOOR Regulation was amended by inserting a new Clause 5A and amending the existing Clause 6 as follows:

#### Clause 5A

Insert after clause 5 –

#### 5A Temporary wages policy

- (1) An office holder is not to be awarded increases in remuneration that would increase officer-related costs in the first 12 months after the determination is made.
- (2) This clause expires 12 months after it commences.

#### Clause 6 and Other policies

Insert after clause 6(3) -

(4) The policies set out in subclause (1)(a) and (b) are not to be given effect to by the Tribunal when making a determination that applies to the period –

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- (a) starting on the commencement of the Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Amendment (Temporary Wages Policy) Regulation 2020, and
- (b) ending 12 months after that commencement.
- 7. A similar regulation to give effect to a wages pause for employees subject to the Industrial Relations Regulation was disallowed by the Legislative Council on 2 June 2020. Neither House of Parliament passed a resolution to disallow the amendment to the SOOR Regulation therefore the Tribunal is required to give effect the to the wages pause as provided for in Clauses 5A and 6(4) of the Regulation.

#### 2019 Determination

8. On 13 September 2019 the Tribunal determined that the Governor would receive a 2.5 per cent increase in salary to \$503,590 with effect on and from 2 October 2019.

#### 2020 Determination

- 9. In accordance with the SOOR Regulation and the temporary wages policy there will be no general increase in the salary payable to the holder of the office of Governor with effect from 2 October 2020. The Tribunal notes that the amendments to the SOOR Regulation provide for no increase for 12 months only. It will be open to the Tribunal to consider an increase, if any, of up to 2.5 per cent with effect from 2 October 2021.
- 10. This determination is consistent with the temporary wages policy which the Tribunal is required to give effect to pursuant to the SOOR Regulation.
- 11. Pursuant to section 13 of the SOOR Act the Tribunal determines that the remuneration to be paid to the holder of the office of Governor on and from 2 October 2020 shall be as specified in Determination No. 1.

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# **Determination No. 1- Governor**

Annual determination of the remuneration to be paid to the holder of the office of Governor of New South Wales effective on and from 2 October 2020.

Public Office Holder	Salary per annum
Governor	\$503,590

The Statutory and Other Offices Remuneration Tribunal

Signed

**Richard Grellman AM** 

Dated: 7 September 2020