

Governor of New South Wales

Annual Determination

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

15 July 2024

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Section 1

Background

Legislative Framework

1. Section 13 of the *Statutory and Other Offices Remuneration Act 1975* (the Act) requires the Statutory and Other Offices Remuneration Tribunal (the Tribunal) to make an annual determination on the remuneration to be paid to office holders each year. Section 10A defines 'remuneration' as salary or allowances paid in money.
2. The Governor is an office holder listed in Schedule 1 of the Act.
3. By the operation of Schedule 6 of the Act and earlier decisions of the Tribunal, the effective date of the annual determination in respect of the Governor has been 1 October in each year.

Government Wages Policy

4. The Tribunal is required, when making determinations under Part 3 of the Act, to give effect to any policy concerning the remuneration of office holders as declared by the regulations. Section 6AB of the 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 Act applies is declared in the *Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Regulation 2013* (the Regulation).
5. In accordance with clause 5A of the Regulation the Tribunal is not to make a determination that has the effect of awarding an increase in remuneration that takes effect before 1 July 2025 to office holders covered by Part 3 of the Act.

Economic Analysis

6. As outlined in its 2024-25 Budget papers,¹ the Government noted that the outlook is consistent with a soft landing for the NSW economy, with economic growth

¹ NSW Government. (2024). *NSW Budget 2024-25, Budget Paper No.01 Budget Statement*. <https://www.budget.nsw.gov.au/sites/default/files/2024-06/Budget-Paper-No.1-Budget-Statement-Budget-2024-25.pdf>

forecast to be subdued in the very near term, before accelerating through the course of 2024-25 as cost-of-living pressures ease.

7. Cost-of-living pressures have weighed on household spending and slowed domestic economic growth in NSW. In particular, price growth for essential goods and services have continued to outpace discretionary items, constraining households' real purchasing power.
8. The softening in both spending growth and the labour market is helping to bring down inflation. Annual headline inflation in Sydney was 3.8 per cent through the year to the March 2024 quarter. This was higher than the national headline figure of 3.6 per cent. National underlying inflation rose by 4 per cent over the 12 months to the March 2024 quarter, which remains above the RBA's target band of 2-3 per cent despite easing from the peak of 6.8 per cent in December 2022.²
9. The Budget expected goods inflation to ease further in 2024 but elevated labour costs in the near term will keep services inflation high.
10. Labour supply has been boosted by international migration, driving a modest lift in the unemployment rate to 3.8 per cent in May 2024 from a low of 3.0 per cent in June 2023. The Budget papers noted that recent easing in the labour market was expected to continue with the unemployment rate rising to 4.5 per cent in the second half of 2025.
11. While the Budget provides for a 10.5 per cent increase to remuneration over 3 years for public sector workers, it notes that the wage freeze for Members of Parliament and Public Service senior executives continues to apply in 2024-25. By virtue of the Regulation, the freeze also applies to office holders with the Tribunal's remit.

2023 Determination

12. The Tribunal was required to give effect to the Regulation and the temporary wages policy, so on 14 September 2023, the Tribunal determined that no increase would apply to the salary payable to the Governor with effect from 1 October 2023.

² Australian Bureau of Statistics. (2024). *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>

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13. The Tribunal brought forward the effective date by one day from the previous 2 October date by operation of Schedule 6 of the Act, to simplify management of remuneration processes.
 14. As there was no change in remuneration determined, the holder of the office of Governor received no benefit or detriment from the decision.

Section 2

2024 Annual Review

Government Submission

15. The Secretary, Premier's Department provided the Government submission. It was limited to noting the temporary 2-year freeze on increases in the remuneration of office holders under Parts 3, 3A and 3B of the Act, implemented by amendments to the Act in 2023.

Section 3

2024 Annual Determination

No Increase

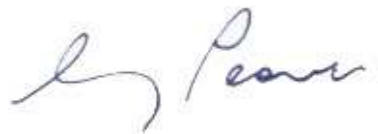
16. In accordance with the Regulation and the temporary wages policy, there will be no increase in the salary payable to the Governor.
17. This determination is consistent with the temporary wages policy which the Tribunal is required to give effect to pursuant to the Regulation.
18. In making this determination, the Tribunal consulted with the Secretary, Premier's Department, in their capacity as Assessor under the Act. The other assessor role is currently vacant.
19. Pursuant to Section 13 and to Part 3 of Schedule 6 of the Act, the Tribunal determines that the remuneration to be paid to the holder of the office of Governor, on and from 1 October 2024 shall be as specified in Determination No. 1.

Superannuation Guarantee Contributions

20. From 1 July 2024, the general SGC increases from 11.00 per cent to 11.50 per cent.³
21. As the Tribunal is required to not award an increase in remuneration on this occasion, it is not necessary to deal with the SGC increase.

³ Australian Taxation Office. (2024). *Super guarantee percentage*. <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/super-guarantee>

Statutory and Other Offices Remuneration Tribunal

A handwritten signature in dark ink, appearing to read "Greg Pearce". The signature is written in a cursive style with a large initial "G".

The Hon. Greg Pearce

Dated: 15 July 2024

Section 4

Determinations

Determination No. 1 – Remuneration of the office of Governor of NSW effective on and from 1 October 2024

Public Office Holder	Salary per annum
Governor	\$521,720

Statutory and Other Offices Remuneration Tribunal



The Hon. Greg Pearce

Dated: 15 July 2024