

Remuneration for a public service senior executive assigned to a role

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Initial remuneration within the role's discretionary range

An individual's initial remuneration point within a role's discretionary remuneration range upon assignment is based on individual merit factors, including demonstrated knowledge, experience and assessed levels of capabilities. In exceptional cases, labour market factors can also be taken into account but only if based on verifiable evidence (Refer 4.4).

The Remuneration Decision Matrix (refer Appendix 2) provides a methodology to determine where within the discretionary remuneration range for a role a senior executive should be paid. Secretaries and separate agency heads can choose to adopt the Decision Matrix when making individual senior executive remuneration decisions.

Progression within the remuneration range over time –

based on assessed performance

Progression within the discretionary remuneration range should not be automatic.

Once assigned, the senior executive may progress over time within the discretionary remuneration range in accordance with the requirements of the agency's formal performance management system.

Applying annual SOORT remuneration increases

The annual SOORT determination increase is to be applied to each role's base remuneration point (through application of the updated formula for calculation of base remuneration points) and its discretionary range (through application of the percentage increase to the discretionary ranges for bands 1, 2 and 3).

Each senior executive's current remuneration point, within the range for their role, or above the range for their role but within the band (for a former transitional executive to whom clause 8B(3) of the GSE Act has been applied), will also be adjusted to incorporate the increase.

This increase is effective from 1 July each year and is separate from any progression within the range based on performance assessment as provided in 4.2 above.

Adjustment of senior executive remuneration within the band due to market factors

Prior to a senior executive role being advertised or other recruitment action undertaken, Secretaries or heads of separate agencies can approve remuneration on assignment beyond the discretionary remuneration range for a role but within the range for the band based on verifiable evidence. That evidence should consist of an independent assessment of market remuneration. The verifiable market remuneration evidence should include, but need not be limited to, available market data for like roles (with equivalent work value point scores, where known) in employment sectors comparable to the NSW Public Service. The market evidence should be demonstrated in a submission to the Secretary or head of a separate agency.

There are a number of scenarios where "within band" market based adjustments may be required. These include:

- Upon assignment or subsequent assignment to a particular senior executive role or group of roles, approve an increase in remuneration for that role or group of roles within the applicable discretionary remuneration range.
- Upon assignment or subsequent assignment to a particular senior executive role or group of roles, approve an increase in remuneration for that role or group of roles outside the applicable discretionary remuneration range, up to the maximum for the band.
- Approve progression within a senior executive role's discretionary remuneration range outside of the agency's performance management system.

Within band market based adjustments should only occur where there has been a change in the labour market in relation to a particular senior executive role and progression within the role's discretionary remuneration range is used as a mechanism to retain the senior executive rather than to reflect the performance of the executive.

When making a decision to approve an adjustment in remuneration beyond the discretionary range for market based reasons, the Secretary or head of the separate agency should at the same time consider the impact the increase will have on the reporting of average remuneration of senior executive within a band for their Department or agency as required in the annual reports regulation (Refer Part 5 below for further information).

Remuneration adjustments above the band due to market based factors

Remuneration above the range for a band must only be in accordance with a determination by the SOORT, pursuant to a special determination under section 24P or as provided for in the annual determination under section 24O of the SOOR Act. The SOORT is required to be directed by the Premier to make an above band determination.

A SOORT determination should only be sought by the Secretary or the head of a separate agency where there is clear market based evidence to support the application for such a determination and in line with guidance issued by the Public Service Commission.

The determination would be made in accordance with the provisions of 24R (3) for one of the following:

- a particular senior executive named in the determination (s24R (3) (a))
- a particular role, office or position specified in the determination (24R (3) (b))
- a particular class of senior executives specified in the determination (s24R (3) (c))

The SOORT determination should be sought prior to advertising or other recruitment action commencing for the senior executive role. However, in exceptional circumstances a SOORT determination can be sought during the recruitment process but prior to employment (refer to 4.6 for further details).

If the determination is sought prior to advertising or other recruitment action the determination can be made under either s24R (3) (a), (b) or (c).

It should be noted that a special determination for a named senior executive is a determination that is personal to that executive and is not a determination that applies to the office or role concerned or to other individuals who may have that role or office - in the future.

Remuneration adjustment during the recruitment process but prior to employment

If during the recruitment process but prior to employment, it becomes evident that a higher level of remuneration will be required to employ the preferred candidate for a senior executive role, the Secretary or head of separate agency can approve remuneration beyond the discretionary range up to the maximum for the band or seek a determination under the SOOR Act to pay above the range for a band.

In such cases, the Secretary or head of separate agency should decide on the need for higher remuneration based on three factors: the strength of the preferred candidate, clear evidence of lack of alternative suitable candidates from the field, and verifiable market remuneration evidence.

Assignment of senior executive to roles in bands across Public Service

Senior executives may be subsequently assigned to other roles within the band in which they are employed under section 38 of the GSE Act, for any number of reasons, and are entitled under section 38(8) to maintain their level of remuneration. The senior executive's remuneration level can be reduced on subsequent assignment but only with the senior executive's consent.

Further information on the assessment and remuneration considerations for assignment and subsequent assignment of senior executives can be found in the Guidelines on assignment to role of Public Service senior executive and non-executive employees 2015.

Remuneration transitional arrangements

Schedule 4 to the GSE Act includes transitional arrangements relating to the remuneration of executives. Although the deadline for transition to the new senior executive arrangements was 24 February 2017, transitional provisions continue to apply to some individuals.

The following transitional provisions apply from GSE Act commencement and prior to a former senior executive's transition to a GSE Act senior executive role:

- The following executives have a remuneration package equivalent to the remuneration package of the executive immediately before the repeal of the Public Sector Employment and Management Act 2002, unless the remuneration package is increased as a result of a determination of the SOORT under Part 3A, SOOR Act:
 - persons continuing in office as Secretaries of Departments (refer clause 6)
 - persons continuing in office as heads of Public Service agencies that correspond with pre-GSE Act Government Service Divisions (refer clause 7)

- persons holding office as heads of other Public Service agencies (refer clause 7)
- statutory senior executives (refer clause 8A).

Other provisions apply when a former senior executive transitions to a GSE Act senior executive role:

- Remuneration for former SES executives in receipt of a recruitment or retention allowance (refer clause 8B).
- Allowance for former Senior Officers who would experience financial disadvantage compared with the remuneration payable to the person before that first employment (refer clause 8B).
- Information on the eligibility, administration, calculation and payment of the financial disadvantage allowance to former senior executives can be found in Transition to the Public Service Senior Executive – Guidelines for the administration of a financial disadvantage allowance for former senior officers.