

# 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 (see 5.4).

The Remuneration Decision Matrix (see 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.

## Applying annual SOORT remuneration increases

This increase, if any, is effective from 1 July each year and is separate from any progression within the range based on performance assessment as provided in 5.3 below.

It is important to note that there was no increase from 1 July 2020 and the 2019 ranges continue to apply.

## Base remuneration point for a role

The annual SOORT determination increase, if any, 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).

## Senior executive's current remuneration point

Each senior executive's current remuneration point, within the discretionary range for their role, or above the discretionary 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.

There may be limited circumstances where a Secretary or head of a separate agency may choose not to adjust a senior executive's current remuneration point. For example, this may occur if the senior executive has been re-assigned to a role with a lower work value, in order to bring the senior executive's remuneration within the discretionary range for the role over time. Where a SOORT increase is not passed on, a consistent approach should be adopted across the agency, and agency heads should consider affording procedural fairness before deciding not to pass on the increase.

## 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.

## Within band or above band remuneration adjustments due to labour market factors

### Within band adjustments

The Secretary or head of separate agency may approve within band remuneration adjustments – for a particular senior executive role or group of senior executive roles - subject to verifiable market based evidence to support an increase to remuneration.

Within the band adjustment for a particular senior executive role or group of senior executive roles can occur outside of the agency's performance management system and can be either:

- within the applicable discretionary remuneration range
- outside the applicable discretionary remuneration range, up to the maximum of the band.

Verifiable market based 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 submission to the Secretary or head of a separate agency recommending the approval of a within band adjustment should demonstrate the market evidence.

The Secretary or head of the separate agency should consider the impact any recommended increase will have on the reporting of average remuneration of senior executive within a band for their Department or agency when making a decision to approve an adjustment in remuneration within the band (see Part 5 for further information).

When a senior executive role is advertised or other recruitment action undertaken, the Secretary or head of separate agency should decide on the need for higher remuneration based on the following three factors:

- verifiable market remuneration evidence
- the strength of the preferred candidate
- clear evidence of lack of alternative suitable candidates from the field.

For existing executives, within band adjustments should only occur where there has been a change in the labour market in relation to a particular senior executive role. Under these circumstances progression within the role's discretionary remuneration range or above the discretionary range may be used as mechanism to retain the senior executive.

## Above band adjustments

Remuneration above the range for a band must 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 Premier must direct the SOORT to make an above band determination.

The Secretary or the head of a separate agency should seek a SOORT determination only 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.

If the determination is sought prior to advertising or other recruitment action the determination can be made under either s24R (3) (b) or (c). If the determination is to be made following the identification of the successful candidate, it should be made under section 24R(a). 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.

## 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 heads of Public Service agencies that correspond with pre-GSE Act Government Service Divisions (see clause 7)
  - persons holding office as heads of other Public Service agencies (see clause 7)
  - statutory senior executives (see 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 (see clause 8B).
- Allowance for former Senior Officers who would experience financial disadvantage compared with the remuneration payable to the person before that first employment (see 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* (Circular PSCC-2014-10).