

# Key principles for band structure and remuneration

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## Band structure

The GSE Act executive reforms introduced the following simpler executive structure comprising a Department Secretaries band and three broad bands:

- Band 4 – Secretary level
- Band 3 – Deputy Secretary level
- Band 2 – Executive Director level
- Band 1 – Director level

The intent under the GSE Act reforms is that the above role titles will be used across the Public Service to improve consistency and create a clearer, shared understanding of the nature of roles found in each band. Exceptions might be needed in rare cases, for example if the role is of a kind commonly referred to by another title (for example Chief Finance Officer).

## Design principles

The design principles for new executive structures under the GSE Act executive reforms were outlined in the *Interim guidelines on requirements for NSW public sector executive restructures and assessments to align with the intent of the senior executive reforms* (Circular PSCC-2013-10). The principles continue to be relevant and are summarised below.

## Executive structures based on strategic and corporate objectives

Design of a new structure and roles should be approached in terms of the functions and roles required by the department or agency to deliver on its strategic and corporate objectives.

### Minimal executive layers

As a principle, there should be no more than three executive reporting layers below the Secretary. Departments/agencies should begin their design process based on this principle, then adjust where warranted. Proposals for intra-band reporting should be closely scrutinised in terms of their added value, particularly where they involve managers reporting to managers. They may be warranted where, for example, a specialist or a State-wide role with an 'outward' focus in terms of its responsibilities and expertise is employed to report to a manager in

the same band. The model can accommodate a mixture of band 2 and 3 senior executives reporting to a Secretary or combination of band 1 and 2 senior executives reporting to a band 3.

## Equal pay for equal work

One of the key principles of the Government's Wages Policy is equal remuneration for men and women doing work of equal or comparable value.

Unintended gender biases in hiring, promotion, performance and pay decisions can lead to incidences of pay inequity. Employers should identify where gender pay gaps exist within their organisation and develop and implement strategies to close the gap.

The Framework provides a methodology for determining fair remuneration for each role based on work value and a methodology and processes for determining adjustments over time.

In applying the Framework and determining organisation wide executive remuneration policies, employers should ensure there is a consistent approach to decision making in respect of commencing remuneration, salary negotiation, movements within and/or above the discretionary range and adjustments, if any, based on the annual performance review cycle.

Departments and agencies should be open with executives about their processes, policies and criteria for decision making in respect of executive remuneration. Introducing transparency to promotion, pay and reward processes may reduce pay inequalities.