

**STATUTORY AND OTHER OFFICES REMUNERATION  
(EXECUTIVES) AMENDMENT BILL 1989**

**NEW SOUTH WALES**



**EXPLANATORY NOTE**

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

This Bill is cognate with the Public Sector Management (Executives) Amendment Bill 1989.

The object of this Bill is to provide for the determination by the Statutory and Other Offices Remuneration Tribunal of the total remuneration packages for members of the proposed Chief Executive Service and Senior Executive Service.

Under the amendments proposed to the Public Sector Management Act 1988, chief executive and senior executive officers will be entitled to monetary remuneration and employment benefits (such as employer superannuation contributions) as are agreed in their contract of employment. The remuneration packages will determine the total amount of monetary remuneration and the cost to the employer of employment benefits for each executive officer. The Tribunal will not have any role in determining which employment benefits are to be provided to particular executive office holders or which kinds of employment benefits may be provided.

The Bill also provides for:

- (a) the Director-General of the Premier's Department to be an additional assessor of the Tribunal; and
  - (b) employment benefits to non-judicial senior officers not included in the Chief Executive Service or the Senior Executive Service.
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*Statutory and Other Offices Remuneration (Executives) Amendment 1989*

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Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act will commence on a proclaimed day or days.

Clause 3 is a formal provision that gives effect to the Schedules of amendments to the Statutory and Other Offices Remuneration Act 1975.

**SCHEDULE 1 - AMENDMENTS RELATING TO CHIEF EXECUTIVE AND SENIOR EXECUTIVE OFFICE HOLDERS**

Schedule 1 (1) inserts a new Part 3A into the Principal Act relating to the determination of the remuneration packages for chief executive and senior executive office holders ("executive office holders"). The new Part contains the following sections:

**Section 24A (Definitions)** defines expressions used in the new Part. "Executive office holder" is defined by reference to the relevant provisions proposed to be inserted into the Public Sector Management Act 1988. "Remuneration package" is defined as the total amount of monetary remuneration and the cost to the employer of any employment benefits for an executive office holder payable under proposed section 42L of the Public Sector Management Act 1988.

**Section 24B (Initial determinations)** provides for the initial determination of remuneration packages by the Tribunal after the commencement of the proposed Act and thereafter when any new position is included in the Chief Executive Service or the Senior Executive Service.

**Section 24C (Annual determinations)** requires the Tribunal to make annual reviews of the remuneration packages for executive office holders.

**Section 24D (Special determinations)** requires the Tribunal to make a special determination (if directed by the Minister) of the remuneration packages for specified executive office holders.

**Section 24E (Directions by Minister)** authorises the Minister to give the Tribunal directions as to the matters to be taken into account by the Tribunal in the determination of remuneration packages.

**Section 24F (General provisions relating to determinations)** regulates the making of determinations. The proposed section allows the Tribunal to fix a specified amount or a range of amounts as a remuneration package and also allows the Tribunal to determine a different remuneration package for a particular holder of the position concerned. The proposed section fixes the minimum remuneration package for executive office holders as the notional remuneration package for a clerk (grade 12) in the Public Service.

**Section 24G (Inquiries)** provides for inquiries by the Tribunal (in similar terms to the Tribunal's existing powers) when determining the remuneration of statutory officers.

**Section 24H (Tribunal's reports)** requires the Tribunal to report its determinations to the Minister.

**Section 24I (Publication of determinations)** provides for the publication of the report of any determination of the Tribunal.

**Section 24J (Operation of determinations)** provides for the period of operation of determinations and prevents any challenge to a determination.

**Section 24K (Remuneration package during period before making of report)** deals with determinations of remuneration packages that are delayed.

**Section 24L (Remuneration packages for executive office holders not dealt with)** allows the Minister to determine a remuneration package for an executive office holder pending the determination of the Tribunal.

**Schedule 1 (2) and (3)** delete from the existing Schedules to the Principal Act the positions of executive office holders.

## **SCHEDULE 2 - CONSEQUENTIAL AND OTHER AMENDMENTS**

**Schedule 2 (1)** omits the provision relating to the arrangement of the Principal Act since it is the modern practice for this information to appear in a table of provisions which does not form part of the Act.

**Schedule 2 (2) and (6)** transfer definitions (which relate only to the present determination of remuneration for statutory office holders) to Part 3 (which will continue to regulate the determination of remuneration for those statutory office holders who are not executive office holders).

**Schedule 2 (3)** makes a minor consequential amendment.

**Schedule 2 (4) (a) and (b)** provide that the Director-General of the Premier's Department will be an assessor to the Tribunal.

**Schedule 2 (4) (c)** enables the appointment of a deputy assessor.

**Schedule 2 (5) and (9)** make minor consequential amendments.

**Schedule 2 (7)** applies a modified system of total remuneration packages for statutory and other office holders who are not executive office holders or judicial officers but whose remuneration is fixed by the Tribunal. The Minister may nominate the office holders concerned for inclusion in the modified system. An office holder concerned will have his or her remuneration determined as a single amount and will be able to elect to have any part of that amount allocated to the provision of employment benefits similar to those available to executive office holders. The principal statutory officers listed in Schedule 1 to the Principal Act (such as the Ombudsman, the Auditor General and the Electoral Commissioner) will not be subject to the new arrangements without their consent.

**Schedule 2 (8)** ensures that only senior Public Service positions may be included under section 5 of the Principal Act in the positions which are not part of the Chief Executive Service or the Senior Executive Service but for which remuneration is fixed by the Tribunal.