



Report Title:	Cabinet Fee Exception Request: Adjustment of fees approved during the 2021-2023 Judicial and Statutory Officers' Fees Review		
Report No:	2024-0185		
Date:	10 July 2024		
To:	Hon Nicola Willis, Minister for the Public Service		
Action Sought:	Agree to sign the attached letter supporting the Associate Minister of Justice's fee exception request	Due Date	26 July 2024
Contact:	Robert Anderson, Director, System and Agency Performance, 9(2)(a) privacy		
Encl:	Yes	Priority:	Low
Security Level:	IN CONFIDENCE		

Executive Summary

1. The Associate Minister of Justice, Hon Nicole McKee (the Minister), seeks your approval and support to adjust and correct daily fees for three roles within the judicial and statutory officers' group previously approved by Cabinet Appointments and Honours Committee Minute [APH-23-MIN-0242] in 2023.
2. In August 2023, the previous Minister for the Public Service agreed to a suite of increases to fees for 34 roles for judicial and statutory officers' following a biennial Fees Review for Judicial and Statutory Officers (the Review). Thirteen of these roles were approved by Cabinet Appointments and Honours Committee (APH) as exceptions to the Cabinet Fees Framework (the Framework).
3. The Ministry of Justice (the Ministry) has advised that it has identified an error in the daily fees of three of the roles in the Review. These three roles are Chair and Deputy Chair of the Private Security Personnel Licensing Authority (PSPLA) and Chair of the Canterbury Earthquakes Insurance Tribunal (CEIT).
4. The Minister wishes to correct errors identified by the Ministry in Cabinet Minute [APH-23-MIN-0242] in relation to the three roles and to correct the Cabinet record.
5. In line with the Framework provision for fee increases over 15 percent, the PSPLA roles would need to be considered by APH as the increase for the PSPLA Chair role is 15 percent and the PSPLA Deputy Chair's new daily rate is outside the Framework for Group 2, Level 3, therefore needing an exception to the Framework.
6. The requested increase for the CEIT Chair is within your delegated authority for approval (under 10 percent), and the new proposed daily is within the relevant range in the Framework (Group 2, Level 1).
7. The Public Service Commission's (the Commission) view is that the three fee increases were approved in principle by Cabinet as part of the suite of fee increases in 2023. The Minister's

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proposal is to adjust three omissions and correct the Cabinet record so that members of the three bodies in question can be paid at the correct rate.

8. The Commission considers that the proposed daily fee increases for the PSPLA Chair and Deputy Chair are supportable when considered by APH.

Purpose of Report

9. The Associate Minister of Justice, Hon Nicole McKee (the Minister), seeks your approval and support to adjust and correct daily fees for three roles within the judicial and statutory officers' group previously approved by Cabinet Appointments and Honours (APH) Committee Minute [APH-23-MIN-0242] in 2023.

Background

10. The Cabinet Fees Framework (the Framework) makes provision for the responsible Minister to approve fee increases up to five percent and within the applicable fee range. An increase above five percent or outside the applicable fee range is an exception to the Framework and requires consultation with you as Minister for the Public Service.
11. Ministry of Justice (the Ministry) carried out a biennial review to ensure fees paid to Judicial and Statutory Officers were consistent with a wider range of similar bodies administered by the Ministry. In August 2023, the former Associate Minister of Justice sought approval and support from the former Minister for the Public Service for exceptional daily fee increases following this biennial.
12. The suite of fee increases was approved, including by APH, as exception for fee ranges over 10 percent or outside of the applicable fee ranges in September 2023.
13. The Ministry of Justice has subsequently identified errors in the 2023 review in relation to proposed daily fee rates for three roles.
 - Chair of the Private Security Personnel Licensing Authority
 - Deputy Chair of the Private Security Personnel Licensing Authority
 - Chair of the Canterbury Earthquakes Insurance Tribunal.
14. The Minister seeks your support at APH to apply the percentages to the correct daily rates and for the increases to take effect from 1 December 2022 as agreed by Cabinet in September 2023 (See Table 1).
15. The table below shows:
 - the original daily fee
 - the fee increase previously approved at APH Committee
 - the correct fee rate
 - how the new fee fits into the Framework range.

Table 1 - Private Security Personnel Licensing Authority

Role	Correct current daily fee	Percentage increase	Fee Originally Approved	New daily fee	Cabinet Fees Framework Range
PSPLA Chair	\$699	15%	\$782	\$804	\$633-\$858 Group 2, Level 3
PSPLA Deputy Chair	\$645	10%	\$690	\$710	\$502-\$702 Group 2, Level 3 (25% above the member fee range)

16. As the proposed increases for both roles are above 10 percent, and the new rate for the Deputy Chair is above the range for Group 2, Level 3, this requires approval by APH.
17. As part of the 2023 review process, the daily rate of the CEIT Chair was increased by five percent, while the members fees were increased by 7.85 percent. However, the five percent increase to the Chair's fee was applied to an incorrect rate which required approval by APH. If the correct rate was used, an exception would not have been required.
18. The Minister now seeks your approval to apply a 7.85 percent increase to the CEIT Chair's current rate of \$864 per day to ensure that pay relativity is maintained between the two roles. The 7.85 percent increase replaces the five percent increase requested in August 2023 (see Table 2).

Table 2 - Canterbury Earthquakes Insurance Tribunal

Role	Fee Originally Approved	Correct daily fee	Percentage increase	New daily fee	Cabinet Fees Framework Range
CEIT Chair	\$1,313	\$864	7.85%	\$932	\$765-\$1,194 Group 2, Level 1

19. The Minister seeks your support and approval to rectify these errors and correct the Cabinet record.

Public Service Commission's View

20. The Public Service Commission's (the Commission) view is these corrections to the daily rates for the three roles in question will bring the fees in line with the suite of increases that were approved by APH in September 2023, therefore should be supported when considered by APH.
21. The Commission considers the Minister's proposal to increase the CEIT Chair daily fee by 7.85 percent can be approved. The increased fee is less than previously reported due to an incorrect daily rate being applied. Also, the proposed increase will bring fee levels across all these roles to a level that balances the significant recruitment and retention issues affecting these bodies.

Financial Implications

22. It was noted in the Ministry's advice in 2023 that the ongoing costs of the fee increases were expected to be approximately \$130,000 from 2023/24 onwards and this cost was able to be met from the Ministry's baseline.
23. The Minister notes that the Ministry will continue to monitor spending to ensure the cost of the adjustments can be met within its baseline funding.
24. The Minister's view is that the fees should promptly be adjusted to mitigate the effect of the calculation errors on the relevant roles.

Next Steps

25. A letter to the Associate Minister of Justice, Hon Nicole McKee, is attached for your review and signing.

Recommended Action

26. The Commission recommends that you:
- a **agree** to support the Associate Minister of Justice, Hon Nicole McKee's proposal to seek APH approval to:
- correct and backdate the fees for the Private Security Personnel Licensing Authority Chair and Deputy Chair to 1 December 2022.
- Agree/disagree
- pay the Private Security Personnel Licensing Authority Deputy Chair a daily rate outside of the Framework as an exception.
- Agree/disagree
- b **agree** to sign the attached response letter to Associate Minister of Justice, Hon Nicole McKee with your decision.
- Agree/disagree
- c **agree** that the Commission release this briefing in full once it has been considered by you.
- Agree/disagree.

Hon Nicola Willis
Minister for the Public Service