



Cabinet

Minute of Decision

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Disclosure of State Sector Chief Executive Remuneration in 2016/17

Portfolio **State Services**

On 11 December 2017, following reference from the Cabinet Business Committee, Cabinet:

- 1 **noted** that the State Services Commission (SSC) intends to publish the Senior Pay Report in December 2017, which includes the annual disclosure of the total remuneration paid to State Sector Chief Executives (CEs) in 2016/2017;
- 2 **noted** that the State Services Commissioner (the Commissioner) will also be issuing a press release;
- 3 **noted** that the Commissioner intends to proactively release the paper under CBC-17-SUB-0046 as part of the wider release of documents;
- 4 **noted** that the Commissioner considers that public concern regarding senior pay rates is beginning to erode trust in the State service;
- 5 **noted** that the Commissioner has been clarifying publicly, and directly, with Crown entity Boards that they are accountable for CE remuneration;
- 6 **noted** that the Senior Pay Report, for the first time, includes disclosure of those Crown entities who chose to make decisions about their CE's remuneration which did not follow SSC advice;
- 7 **noted** that the SSC is seeing tempering of the level of increases in remuneration decisions taken by some other Crown entity Boards, as a result of the Commissioner's actions;
- 8 **agreed** that the Commissioner provide advice to Ministers about Boards who consistently choose not to follow SSC and/or Ministerial advice about the level of remuneration for their CE, so that this information can inform Ministers' decisions about tenure of Board members;
- 9 **noted** that if these measures do not have the desired effect of reducing the rate of remuneration growth for Crown entity CEs, there are regulatory settings that may provide more certainty;
- 10 **agreed** that the Commissioner provide advice on regulatory options;

- 11 **invited** the Minister of State Services to report back to Cabinet in early 2018 on:
- 11.1 the regulatory options;
 - 11.2 amendments to the Government's Expectations for Pay and Employment Conditions in the State Sector as an interim measure;
- 12 **noted** that the Commissioner is reviewing his approach to Public Service CE remuneration and will discuss this with the Minister of State Services.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces CBC-17-MIN-0046. Cabinet amended paragraph 11.

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of State Services

PROACTIVELY RELEASED BY THE MINISTER OF STATE SERVICES