



State Sector Chief Executive Remuneration Disclosure December 2019

Date: 3 July 2020 Security Level: IN CONFIDENCE
Report No: SSC2020/0129
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	Actions Sought	Due Date
Hon Chris Hipkins, Minister of State Services	Note that SSC will update the CE Remuneration webpage in July	10 July 2020

Enclosure: Yes

Executive Summary

1. The State Services Commission will be updating its State Sector Chief Executive Remuneration Disclosure webpage and online table with data effective 31 December 2019. We plan to release this in July. We will advise your office of the date ahead of time.

Minister's Office Comments

Comments:	
Date returned to SSC:	

Recommended Action

We recommend that you:

- a **note** that the State Services Commission's website which includes an online table of State Sector chief executive remuneration will be updated with data covering the six months to 31 December 2019 in July 2020.

Noted.

- b **agree** that the SSC release this briefing in full once SSC has updated its website with data covering the six months to 31 December 2019.

Agree/disagree.



Hon Chris Hipkins
Minister of State Services

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SSC Report: State Sector Chief Executive Remuneration Disclosure December 2019

Purpose of Report

2. In 2019, the State Services Commission advised that in future State Sector chief executive remuneration disclosure would be made via an update to an online database, rather than annual published tables.
3. The 2019/20 data will be updated and published on a six-monthly basis, and we then intend to move to quarterly updates.
4. A copy of the first updated webpage is attached for your information. Also attached is a list of the new data for the 2019/20 year included in the online database. This data covers the reviews or appointments that have been completed between 1 July and 31 December 2019 for 39 chief executives (34 roles are covered by this disclosure). Only public service chief executives appointed in this period or acting public service chief executives are included in this update.
5. We intend to include an analysis of the 2019/20 period with the next six-monthly update.

Background

6. At the request of Cabinet, the State Services Commission discloses the remuneration of chief executives and acting/interim chief executives of:
 - a. the Public Service
 - b. statutory Crown entities and their subsidiaries
 - c. Tertiary Education Institutions, and
 - d. chief executives whose remuneration is set by the Remuneration Authority.
7. In 2018 Cabinet agreed that the State Services Commissioner could make changes to the information and format of disclosures to enable continuous improvement and increased transparency.
8. The 2019 disclosure was changed in the following ways to improve transparency:
 - a. Actual figures instead of bands are disclosed.
 - b. The data is remuneration earned in the year up to the chief executive's annual review date (or the part year where applicable).
 - c. The remuneration is available in an online database.
9. The next step to increase transparency is to do more regular updates. We are starting with moving to six monthly updates instead of an annual report and will then move to quarterly updates.
10. The 1 July – 31 December update (shown in the 2019/20 column) includes some increases and decreases to annual remuneration due to appointments starting or finishing. Where the data are for full years, the changes reflect annual remuneration

reviews. The online table includes explanatory notes, such as start and finish dates. The data in the 2017/18 and 2018/19 columns has already been published.

11. The next update will include changes in the period 1 January to 30 June 2020.

Risks

12. There may be media interest given we are in a period of period of pay restraint. It is important to note that this information is for the period 1 July – 31 December 2019 and therefore pre-dates COVID-19 and the period of pay restraint.

Next Steps

13. The State Services Commission's website will be updated in July. We will advise your office of the actual date ahead of time.

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Chief Executive Remuneration Disclosure

At the request of Cabinet, the State Services Commission has publicly reported on State Sector chief executive pay since 2010.

The disclosure provides transparency for the public on the levels of remuneration received by chief executives in the State Sector. These include the chief executives and acting chief executives for public service departments, departmental agencies, District Health Boards, other statutory Crown entities and Crown entity subsidiaries, Tertiary Education Institutions, Offices of Parliament and non-public service departments.

Accountability for setting chief executive remuneration

The approach to setting State Sector chief executive remuneration balances the need to maintain public trust and confidence in the State Sector and the need to attract and retain chief executives who are motivated by a spirit of service. There are a range of reasons why State Sector remuneration, particularly at the senior executive level is, and needs to be, lower than the private sector.

The State Services Commissioner (the Commissioner) is the employer of public service chief executives and determines their remuneration, excluding those whose remuneration is set by the Remuneration Authority.

The Remuneration Authority is responsible for determining the remuneration of some chief executives and Officers of Parliament (including the State Services Commissioner and Deputy State Services Commissioner).

The Commissioner provides guidance to the Boards of statutory Crown entities, District Health Boards (DHBs) and Tertiary Education Institutions (TEIs) on chief executive (CE) remuneration, which is used by Boards who are the employer of CEs and are therefore responsible for agreeing the terms and conditions with their CEs. These are finalised after the Commissioner's consent has been given.

TEIs, DHBs and four other Crown agents in the health sector have been required to seek the Commissioner's agreement to their decisions for some time. From 31 October 2018, the other statutory Crown entities have also been required to seek the consent of the Commissioner – previously, they were required to consult the Commissioner and their Minister but retained the final decision on chief executive remuneration.

State Sector CE remuneration

The State Sector chief executive remuneration table below includes the remuneration of the chief executives and acting chief executives for agencies across the State Sector e.g. public service departments, District Health Boards, Crown entities, universities, wānanga, and Offices of Parliament.

To be consistent with a determination by the Ombudsman and in accordance with standard accounting practice, the information is presented to the nearest thousand dollars.

We have moved to six monthly updates, with the next update to be effective 30 June 2020. Our intention is to move to updating the table below quarterly in 2021.

The data in the table below has been updated to include:

- remuneration that was earned between a remuneration review that was completed between 1 July 2019 and 31 December 2019 and the previous one,
- changes to some figures that were previously estimated to reflect actual decisions that have been made

The review date for public service chief executives has changed from 1 July to 1 January to reflect that the performance expectations are based on a calendar year rather than a financial year. For most public service chief executives this change has meant that their remuneration remained the same from 1 July 2018 to 31 December 2019. Given the change in review date, there is no disclosure at 31 December 2019. The next disclosure for most public service chief executives will be effective 31 December 2020 and reported in early 2021.

The [Detailed Disclosure Notes 2020](#) provide more information on how the data is compiled.

Link to table on website

List of new remuneration data included in online table

Full year

Part year

Organisation	Name	2017/18	2018/19	2019/20
Ara Inst. of Canterbury	Mr Tony Gray	\$329K	\$400K	\$404K
Arts Council of NZ	Mr Stephen Wainwright	\$323K	\$323K	\$320K
BOP DHB	Ms Helen Mason	\$477K	\$486K	\$193K
Chief Ombudsman	Mr Peter Boshier	\$400K	\$400K	\$456K**
CAA	Mr Graeme Harris	\$414K	\$416K	\$399K
Drug Free Sport	Mr Nick Paterson	\$192K	\$209K	\$221K
Eastern Inst. of Tech.	Mr Christopher Collins	\$399K	\$400K	\$278K
External Reporting Board	Mr Warren Allen	\$251K	\$256K	\$129K
Hawkes Bay DHB	Dr Kevin Snee	\$504K	\$504K	\$51K
Health Promotion Agency	Mr Clive Nelson	\$293K	\$299K	\$25K
	In role less than 3 mths (Acting)			\$37K
Health Research Council	Prof Kathryn McPherson	\$350K	\$350K	\$29K
Heritage NZ	Mr Andrew Coleman	\$300K	\$300K	\$300K
HLC Ltd	Mr Chris Aiken	\$471K	\$612K	\$154K
Housing NZ Ltd	Mr Andrew McKenzie	\$703K	\$791K	\$199K
LINZ	Ms Lisa Barrett (Acting)		\$308K	\$49K
	Ms Gaye Searancke			\$151K
Ministry of Defence	Mr Andrew Bridgman			\$296K
Te Papa	Mr Geraint Martin	\$500K	\$500K	\$292K
Northland Polytechnic	Mr Wayne Jackson (Acting)		\$137K	\$275K

NZ Food Innovation (Auck)	Ms Alexandra Allan	\$175K	\$183K	\$184K
NZ Walking Access Commission	Mr Ric Cullinane		\$149K	\$181K
Solicitor General	Ms Una Jagose	\$665K	\$666K	\$682K
Statistics NZ	Ms Liz MacPherson	\$404K	\$428K	\$216K
Takeovers Panel	Mr Andrew Hudson	\$178K	\$263K	\$268K
Taranaki DHB	Ms Rosemary Clements	\$399K	\$399K	\$397K
Te Arawhiti	Ms Lil Anderson (Acting)		\$176K	\$153K
Te Puni Kōkiri	Ms Michelle Hippolite	\$444K	\$442K	\$38K
	In role less than 3 mths (Acting)			\$48K
	Mr David Samuels			\$124K
Te Taura Whiri I Te Reo Māori	Mr Ngāhiwi Apanui	\$203K	\$203K	\$215K
The Open Polytechnic	Dr Caroline Seelig (Acting)		\$145K	\$24K
The Treasury	In role less than 3 mths (Acting)		\$4K	\$90K
	Dr Caralee McLiesh			\$184K
The University of Auckland	Prof. Stuart McCutcheon	\$760K	\$760K	\$768K
Toi Ohomai Inst of Tech	Dr Leon de Wet Fourie	\$362K	\$362K	\$381K
Transport Accident Investigation Commission	Ms Lois Hutchinson	\$255K	\$255K	\$262K

Waikato Inst of Tech.	Mr David Christiansen (Acting)		\$296K	\$336K
Wairarapa DHB	Mr Craig Climo (Acting)		\$102K	\$14K

**Remuneration increase includes component due to job size increase and determined by the Remuneration Authority

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