



Remuneration of Public Service and State sector chief executives as at 30 June 2015

State Services Commission

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Remuneration of Public Service and State sector chief executives as at 30 June 2015 - Notes

This is the State Services Commissioner's (the Commissioner) report on the remuneration of chief executives in the Public Service and State sector for the year to 30 June 2015.

Cabinet has agreed that remuneration paid to Public Service and Crown entity chief executives should be disclosed annually in one location. This provides transparency for the taxpaying public around the level of remuneration received by senior State servants.

This year Public Service, district health boards, tertiary education institutions and other statutory Crown entity information has been separated into four tables:

- Tables 1 to 4 present remuneration information for chief executives of organisations across the State sector where the Commissioner has an influence over their remuneration: the Public Service and the wider State sector¹. Remuneration paid to acting chief executives from within the relevant organisations is not included, except for Public Service departments where the Commissioner sets remuneration.
- The chief executives included in Table 5 have their remuneration set by the Remuneration Authority.

The tables present the **total remuneration actually received** by each chief executive for the financial year 1 July 2014 to 30 June 2015, in \$10,000 bands. Total remuneration includes any benefit received by the chief executive that is specified in their employment agreement, such as performance pay, employer contributions to superannuation, the value of the use of a vehicle, any annual leave in excess of 20 days per annum, and any end of term entitlements paid.

The sums reported in the tables are largely consistent with the requirements of section 211 of the Companies Act 1993. They reflect the total remuneration received by the employee in the financial year indicated. Where the reported remuneration is for a period of less than 12 months, the effective period is indicated.

The non-Public Service organisations listed supplied their own information. While the SSC has checked the accuracy of the information to the best of its ability, the final responsibility for accuracy lies with the body that sets the remuneration.

This year the staff remuneration tables for the Tertiary Education sector, Public Service and Remuneration Authority Jurisdiction, which present the number of staff other than chief executives (or their equivalent) who received remuneration of \$100,000 or more in the last financial year, are included in the Human Resource Capability Survey Report and can be found at www.ssc.govt.nz/hrc-survey-2015

Further information can be found at www.ssc.govt.nz

Table 4 does not include organisations that are not Crown entities but are required by their enabling legislation to consult the Commissioner on their chief executive's remuneration, such as the Māori Television Service.

Remuneration of Public Service and State sector chief executives as at 30 June 2015 - Overview

Public Service (See Table 1)

- Under the State Sector Act 1988, the State Services Commissioner (the Commissioner) is the employer of most Public Service CEs and is responsible for their appointment and performance management, and the setting and reviewing of their terms and conditions of employment. This excludes those CEs whose remuneration is set by the Remuneration Authority, which includes the CEs of the State Services Commission, the Crown Law Office and the Government Communications Security Bureau.
- The framework for remuneration for Public Service CEs is set with a view to the movements in the rest of the State sector workforce. This provided for increases of between 1% and 5%, depending on performance and position in range. Public Service CEs in general only have their remuneration reviewed once during a term of more than three years.
- In 2014/15, the median increase to Target Remuneration for **Public Service CEs** (excluding those whose remuneration is set by the Remuneration Authority) was 2.0%, and the average was 1.7%. This is based on movements ranging from 0% to 4% for the 10 CEs who received a remuneration review during the year, which translates to an average increase of 0.7% across all CEs. This compares to an average increase in remuneration in the 2013/14 year of 2.8%.
- In addition, in 2014/15 CEs received the following portion of their at risk components (based on performance in the 2013/14 year):
 - o 17 of the 23 eligible CEs (74%) received their full 10% earn back component, and
 - Only 5 CEs received a portion of the 15% exceptional performance component, ranging from 3% to 5%. Actual payments ranged from \$7,412 to \$12,354 as they were pro-rated for the six months from 1 January to 30 June 2014.
- The appropriation for Public Service CE remuneration is capped by the Government and the State Services Commissioner allocates within this. Appropriation and actual spend are at around the same level as they were in 2008/09. In 2014/15 the spend was \$12.189m, \$1.413m below the cap.
- As at 30 June 2015, the base salary of a Public Service CE was, on average, 5.7 times the average pay for staff of the department. This has remained relatively stable over the last four years.
- Some CE roles will receive lower remuneration than second tier managers (often in larger departments) because remuneration is based on the size of the job and the individual's overall level of responsibility.

Crown entities (see Tables 2-4)

- Crown entity chief executive (CE) remuneration is set by Crown entity boards after consultation with the Commissioner. District Health Board (DHB) and Tertiary Education Institution (TEI) CE remuneration requires the concurrence of the State Services Commissioner. CE remuneration for other statutory Crown entities requires consultation with the State Services Commission (SSC) and, in cases of disagreement with SSC, with Ministers.
- The Commissioner provides all board chairs with guidance when considering increases to CE remuneration which is also consistent with remuneration movements in the broader State sector workforce. This indicates the Commissioner's expectations for reasonable increases, taking into account individual performance, and a chief executive's position in a remuneration range. The guidance indicated increases for CEs meeting expectations of between 2% and 3%.
- Overall actual remuneration movements were in line with the Commissioner's guidance. The median percentage increase for all **Crown entity CEs** in 2014/15 was 2.5%, which was similar to increases in 2013/14, and in line with the combined effect of salary progression and collective agreement settlements during the period.
- CE remuneration is based on job sizing measured by independent consultants. As is the case every year, some CEs receive additional increases to recognise job size increases. This was the case for 8 CEs during 2014/15. When these additional increases are excluded, the median increase overall is reduced to 2.2%. The increases for the different types of Crown entities are summarised in the table below.

Remuneration Authority Jurisdiction (see Table 5)

• The Remuneration Authority reviews the remuneration of all positions in its jurisdiction every year. The pay scale established by the Remuneration Authority for the 2014/15 year exhibited increases between 1.9% and 4.0% over the previous year.

Table 1: Total remuneration received by Public Service chief executives²

Under the State Sector Act 1988, the State Services Commissioner (the Commissioner) is the employer of most Public Service chief executives and is responsible for their appointment and performance management, and the setting and reviewing of their terms and conditions of employment. This excludes those chief executives whose remuneration is set by the Remuneration Authority, which includes the chief executives of the State Services Commission (the Commission), the Crown Law Office and the Government Communications Security Bureau. For further information about the approach to performance management and remuneration system for Public Service chief executives visit www.ssc.govt.nz.

Changes in reported remuneration between years are driven by several factors. These include increases in job size leading to increased remuneration, variations in the amount of performance pay received, new chief executives starting on higher or lower salaries than their predecessors, and payment of contractual entitlements at the end of a chief executive's term. These factors are present in every year and impact on reported figures to a greater or lesser extent in all financial years.

The remuneration disclosures for **Public Service chief executives** this year should be read considering the following:

- The figures disclosed below relate to remuneration received in 2014/15 and any remuneration increases or performance payments relate to a chief executive's performance in the 2013/14 year.
- A number of this year's disclosure figures are lower than the 2013/14 figures. This is because Public Service chief executives only had potential for earn back and performance payments pro-rated for the six months from 1 January to 30 June 2014 as a result of the changes in the timing of chief executive performance reviews (see the 2013/14 disclosure report for further information at www.ssc.govt.nz). Next year's figures will be higher because chief executives will have the potential for earn back and performance payments based on a full financial year. These fluctuations are not an accurate reflection of underlying movements to base remuneration.
- There were 27 fortnightly pays in 2014/15 (rather than the usual 26) which increased the amount of remuneration received.
- Four chief executives finished in their roles during the year. The figure disclosed as the payment on the last day of duty refers to their contractual entitlements which may include retiring leave, annual leave not taken and employer superannuation payments owing on end of term entitlements.

In 2014/15, 10 **Public Service chief executives** (excluding those whose remuneration is set by the Remuneration Authority) received a review of their <u>Target Remuneration</u>. The median remuneration increase was 2.0%. The average increase was 1.7%, and this translates to an average of 0.7% across all chief executives.

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Canterbury Earthquake Recovery Authority	\$390,000 to \$399,999 ¹ \$310,000 to \$319,999	1 July 2014 to 31 January 2015 1 December 2014 to 30 June 2015	\$590,000 to \$599,999		1. Figure includes payment of entitlements at last day of duty of \$44,997
Department of Conservation	\$380,000 to \$389,999		\$140,000 to \$149,999 ¹ \$280,000 to \$289,999	1 July 2013 to 13 September 2013 14 September 2013 to 30 June 2014	Figure includes payment of entitlements at last day of duty of \$29,079
Department of Corrections	\$450,000 to \$459,999		\$460,000 to \$469,999		
Department of Internal Affairs	\$520,000 to \$529,999		\$510,000 to \$519,999		
Department of the Prime Minister and Cabinet	\$530,000 to \$539,999		\$550,000 to \$559,999		
Education Review Office	\$300,000 to \$309,000		\$150,000 to \$159,999 ¹ Under \$100,000 \$110,000 to \$119,999 ²	1 July 2013 to 1 November 2013 2 November 2013 to 2 December 2013 3 December 2013 to 30 June 2014	Figure includes payment of entitlements at last day of duty of \$21,482 Figure includes payment of entitlements at last day of duty of \$1,551
Inland Revenue Department	\$520,000 to \$529,999		\$520,000 to \$529,999		
Land Information New Zealand	\$350,000 to \$359,999		\$360,000 to \$369,999		
Ministry for Culture and Heritage	\$340,000 to \$349,999 Under \$100,000	1 July 2014 to 1 May 2015 2 May 2015 to 30 June 2015	\$380,000 to \$389,999		
Ministry for Primary Industries	\$520,000 to \$529,999		Under \$100,000 ¹ \$100,000 to \$109,999 \$280,000 to \$289,999	1 July 2013 to 28 July 2013 29 July 2013 to 17 November 2013 18 November 2013 to 30 June 2014	Figure includes payment of entitlements at last day of duty of \$16,124

² The Remuneration Authority sets remuneration for the chief executives of three Public Service departments: the Crown Law Office, the Government Communications Security Bureau and the State Services Commission.

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Ministry for the Environment	\$380,000 - \$389,999 ¹ Under \$100,000 Under \$100,000	1 July 2014 to 31 March 2015 1 April 2015 to 1 June 2015 2 June 2015 to 30 June 2015	\$440,000 to \$449,999		Figure includes payment of entitlements at last day of duty of \$1,161
Ministry of Business, Innovation and Employment	\$580,000 to \$589,999		\$620,000 to \$629,999		
Ministry of Defence	\$400,000 to \$409,999		\$390,000 to \$399,999		
Ministry of Education	\$620,000 to \$629,999		\$550,000 to \$559,999		
Ministry of Foreign Affairs and Trade	\$490,000 to \$499,999 ¹ Under \$100,000 \$130,000 to \$139,999	1 July 2014 to 31 January 2015 1 February 2015 to 22 March 2015 23 March 2015 to 30 June 2015	\$640,000 to \$649,999		1. Figure includes payment of entitlements at last day of duty of \$85,649
Ministry of Health	\$330,000 to \$339,999 \$130,000 to \$139,999	1 July 2014 to 23 March 2015 24 March 2015 to 30 June 2015	\$230,000 to \$239,999 ¹ \$250,000 to \$259,999	1 July 2013 to 8 November 2013 9 November 2013 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$219
Ministry of Justice	\$540,000 to \$549,999		\$540,000 to \$549,999		
Ministry of Māori Development (Te Puni Kōkiri)	\$390,000 to \$399,999		\$400,000 to \$409,999		
Ministry of Pacific Island Affairs	\$260,000 to \$269,999		\$270,000 to \$279,999		
Ministry of Social Development	\$580,000 to \$589,999		\$590,000 to \$599,999		
Ministry of Transport	\$400,000 to \$409,999		\$400,000 to \$409,999		
Ministry for Women	\$240,000 to \$249,999		\$240,000 to \$249,999		
New Zealand Customs Service	\$410,000 to \$419,999		\$410,000 to \$419,999		
Serious Fraud Office	\$320,000 to \$329,999		\$100,000 to \$109,999 \$200,000 to \$209,999	1 July 2013 to 18 October 2013 21 October 2013 to 30 June 2014	
Statistics New Zealand	\$350,000 to \$359,999		Under \$100,000 \$270,000 to \$279,999	1 July 2013 to 25 August 2013 26 August 2013 to 30 June 2014	
The Treasury	\$610,000 to \$619,999		\$650,000 to \$659,999		

Table 2: Total remuneration received by chief executives of District Health Boards

District Health Board (DHB) chief executive remuneration is set by the Board after consultation with the State Services Commissioner. Under the New Zealand Public Health and Disability Act 2000, DHBs are required to seek the Commissioner's *consent* for changes to their chief executives' remuneration. The Commissioner provides all board chairs with guidance when considering increases to chief executive remuneration which is consistent with remuneration movements in the broader State sector workforce. This indicates the Commissioner's expectations for reasonable increases, taking into account individual performance, and a chief executive's position in a remuneration range. (More information on executive pay in the State sector can be found at www.ssc.govt.nz).

In some cases, chief executives' reported total remuneration varies significantly between 2013/14 and 2014/15. Changes in reported remuneration between years are driven by several factors. These include increases in job size leading to increased base remuneration, variations in the amount of performance pay received, new chief executives starting on higher or lower salaries than their predecessors, and payment of contractual entitlements at the end of a chief executive's term. These factors are present in every year and impact on reported figures to a greater or lesser extent.

The remuneration disclosures for **District Health Board chief executives** this year should be read considering the following:

- The figures disclosed below relate to remuneration received in 2014/15 and any remuneration increases or performance payments generally relate to a chief executive's performance in the 2013/14 year.
- A large number of chief executives may have received 27 fortnightly pays this year (rather than the usual 26) which increased the amount of remuneration received.
- The timing of performance and remuneration reviews and performance payments can result in one or more than one performance payment being made during the year, and back-pay of any remuneration increases.
- One DHB chief executive received a remuneration increase to address a job size increase. (When a Board considers their chief executive's role has changed in scale, scope and/or complexity, they engage an independent consultant to review the job size. An increase in job size sometimes results in an increase in pay.)
- The figure disclosed as the payment on the last day of duty refers to contractual entitlements which may include retiring leave, annual leave not taken and employer superannuation payments owing on end of term entitlements.

For the 2014/2015 year, the average increase to total remuneration packages for **District Health Board chief executives** (whose remuneration reviews were completed and advised to SSC by 30 June 2015) was 2.9%, and the median was 2.5%. Excluding the additional increase related to a job resizing, the average increase was 2.3%, and the median was 2.0%.

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Auckland DHB	\$640,000 to \$649,999		\$570,000 to \$579,999		
Bay of Plenty DHB	\$500,000 to \$509,999		\$490,000 to \$499,999		
Canterbury DHB	\$570,000 to \$579,999		\$560,000 to \$569,999		The Chief Executive of the Canterbury DHB also has responsibility for the West Coast DHB
Capital and Coast DHB	\$570,000 to \$579,999 ¹		\$130,000 to \$139,999 ² \$360,000 to \$369,999	1 July 2013 to 8 September 2013 9 September 2013 to 30 June 2014	 Figure includes payment (from Standards New Zealand) of entitlements at last day of duty of \$59,866 Figure includes payment of entitlements at last day of duty of \$11,939
Counties Manukau DHB	\$550,000 to \$559,999		\$550,000 to \$559,999		
Hawke's Bay DHB	\$480,000 to \$489,999		\$500,000 to \$509,999		
Hutt DHB	\$420,000 to \$429,999 ¹	1July 2014 to 29 April 2015	\$420,000 to \$429,999		 Figure includes payment of entitlements at last day of duty of \$16,841 The Chief Executive of the Hutt DHB also had responsibility for the Wairarapa DHB during most of the 2014-15 year.
Lakes DHB	\$390,000 to \$399,999		\$370,000 to \$379,999		
MidCentral DHB	\$580,000 to \$589,999¹ Under \$100,000	1July 2014 to 1 May 2015 4 May 2015 to 30 June 2015	\$540,000 to \$549,999		1. Figure includes payment of entitlements at last day of duty of \$95,197
Nelson Marlborough DHB	\$410,000 to \$419,9991		\$400,000 to \$409,999		Figure includes a component relating to a job resizing
Northland DHB	\$420,000 to \$429,999		\$380,000 to \$389,999		
South Canterbury DHB	\$270,000 to \$279,999		\$290,000 to \$299,999		
Southern DHB	\$500,000 to \$509,999		\$500,000 to \$509,999		
Tairawhiti DHB	\$310,000 to \$319,999		\$310,000 to \$319,999		

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Taranaki DHB	\$410,000 to \$419,999		\$400,000 to \$409,999		2013/14 disclosure incorrectly reported the band as \$380,000 to \$389,999
Waikato DHB	\$100,000 to \$109,999 ¹ \$440,000 to \$449,999	1 July 2014 to 18 July 2014 21 July 2014 to 30 June 2015	\$490,000 to \$499,999		1. Figure includes payment of entitlements at last day of duty of \$36,835
Wairarapa DHB					The Chief Executive of the Hutt DHB also has responsibility for the Wairarapa DHB
Waitemata DHB	\$550,000 to \$559,999		\$530,000 to \$539,999		2013/14 disclosure incorrectly reported the band as \$520,000 to \$529,999
West Coast DHB					The Chief Executive of the Canterbury DHB also has responsibility for the West Coast DHB
Whanganui DHB	\$360,000 to \$369,999		\$360,000 to \$369,999		

Table 3: Total remuneration received by chief executives of Tertiary Education Institutions

Tertiary Education Institution (TEI) chief executive remuneration is set by the TEI Board after consultation with the State Services Commissioner. Under the State Sector Act 1988, TEIs are required to seek the Commissioner's *concurrence* for changes to their chief executives' remuneration. The Commissioner provides all board chairs with guidance when considering increases to chief executive remuneration which is consistent with remuneration movements in the broader State sector workforce. This indicates the Commissioner's expectations for reasonable increases, taking into account individual performance, and a chief executive's position in a remuneration range. (More information on executive pay in the State sector can be found at www.ssc.govt.nz).

In some cases, chief executives' reported total remuneration varies significantly between 2013/14 and 2014/15. Changes in reported remuneration between years are driven by several factors. These include increases in job size leading to increased base remuneration, variations in the amount of performance pay received, new chief executives starting on higher or lower salaries than their predecessors, and payment of contractual entitlements at the end of a chief executive's term. These factors are present in every year and impact on reported figures to a greater or lesser extent.

The remuneration disclosures for **Tertiary Education Institution chief executives** this year should be read considering the following:

- The figures disclosed below relate to remuneration received in 2014/15 and any remuneration increases or performance payments generally relate to a chief executive's performance in the 2013/14 year.
- A large number of chief executives may have received 27 fortnightly pays this year (rather than the usual 26) which increased the amount of remuneration received.
- The timing of performance and remuneration reviews and performance payments can result in one or more than one performance payment being made during the year, and back-pay of any remuneration increases.
- Two TEI chief executives received a remuneration increase to address a job size increase. (When a Board considers their chief executive's role has changed in scale, scope and/or complexity, they engage an independent consultant to review the job size. An increase in job size sometimes results in an increase in pay.)
- The figure disclosed as the payment on the last day of duty refers to contractual entitlements which may include retiring leave, annual leave not taken and employer superannuation payments owing on end of term entitlements.

For the 2014/2015 year, the average increase to total remuneration packages for **Tertiary Education Institution chief executives** (whose remuneration reviews were completed and advised to SSC by 30 June 2015) was 3.4%, and the median was 2.2%. Excluding the additional increases related to job resizing, the average increase was 2.3%, and the median was 2.0%.

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Aoraki Polytechnic	\$250,000 to \$259,999		Under \$100,000	14 March 2014 to 30 June 2014	
Auckland University of Technology	\$480,000 to \$489,999		\$470,000 to \$479,999		
Bay of Plenty Polytechnic	\$240,000 to \$249,999		\$250,000 to \$259,999		
Christchurch Polytechnic Institute of Technology	\$360,000 to \$369,999 ¹		\$340,000 to \$349,999		Figure includes a component relating to a job resizing
Eastern Institute of Technology	\$350,000 to \$359,999		\$290,000 to \$299,999		
Lincoln University	\$540,000 to \$549,999 ¹	1 July 2014 to 25 June 2015	\$400,000 to \$409,999		1. Figure includes payment of entitlements at last day of duty of \$117,799
Manukau Institute of Technology	\$380,000 to \$389,999		\$310,000 to \$319,999		
Massey University	\$550,000 to \$559,999		\$540,000 to \$549,999		
Nelson Marlborough Institute of Technology	\$240,000 to \$249,999		\$280,000 to \$289,999		
Northland Polytechnic	\$270,000 to \$279,999		\$260,000 to \$269,999		
Open Polytechnic of New Zealand	\$320,000 to \$329,999		\$320,000 to \$329,999		
Otago Polytechnic	\$350,000 to \$359,999		\$340,000 to \$349,999		
Southern Institute of Technology	\$310,000 to \$319,999		\$270,000 to \$279,999		
Tai Poutini Polytechnic	\$260,000 to \$269,999		\$250,000 to \$259,999		
Te Wananga o Aotearoa	\$400,000 to \$409,999		Under \$100,000 ¹ \$270,000 to \$279,999	1 July 2013 to 7 October 2013 21 October 2013 to 30 June 2014	1. Figure includes payment of entitlements after last day of duty of \$11,475
Te Wananga o Raukawa	\$250,000 to \$259,999		\$230,000 to \$239,999		
Te Whare Wananga o Awanuiarangi	\$210,000 to \$219,999	1 July 2014 to 31 March 2015	\$310,000 to \$319,999		

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Unitec Institute of Technology	\$400,000 to \$409,999		\$390,000 to \$399,999		
Universal College of Learning	\$160,000 to \$169,999 ¹ \$150,000 to \$159,999	1 July 2014 to 31 December 2014 1 January 2015 to 30 June 2015	\$160,000 to \$169,999 ²		 Figure includes payment of entitlements after last day of duty of \$31,423 Level of remuneration paid in the 12 months to 30 June 2014 reflects part-time hours
University of Auckland	\$680,000 to \$689,999		\$660,000 to \$669,999		
University of Canterbury	\$550,000 to \$559,999		\$530,000 to \$539,999		
University of Otago	\$560,000 to \$569,999		\$540,000 to \$549,999		
University of Waikato	\$310,000 to \$319,999 ¹ \$160,000 to \$169,999	1 July 2014 to 31 December 2014 9 February 2015 to 30 June 2015	\$450,000 to \$459,999		1. Figure includes payment of entitlements at last day of duty of \$44,800
Victoria University of Wellington	\$520,000 to \$529,999		\$400,000 to \$409,999 ¹ \$140,000 to \$149,999	1 July 2013 to 28 February 2014 3 March 2014 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$17,066
Waiariki Institute of Technology	\$290,000 to \$299,999		\$280,000 to \$289,999		
Waikato Institute of Technology	\$350,000 to \$359,999 ¹		\$380,000 to \$389,999		1. Figure includes a component relating to a job size increase; does not include performance payment, actioned after 30 June 2015
Wellington Institute of Technology	\$430,000 to \$439,9991	1 July 2014 to 31 March 2015	\$350,000 to \$359,999		1. Figure includes payment of entitlements at last day of duty of \$40,899
Western Institute of Technology	\$230,000 to \$239,999		\$130,000 to \$139,999	29 October 2013 to 30 June 2014	
Whitireia Community Polytechnic	\$390,000 to \$399,9991	1 July 2014 to 31 March 2015	\$330,000 to \$339,999		1. Figure includes payment of entitlements at last day of duty of \$29,694
Whitireia Community Polytechnic / Wellington Institute of Technology	Under \$100,000	1 April 2015 to 30 June 2015			New role of CE of Whitireia and Weltec established 1 April 2015

Table 4: Total remuneration received by chief executives of other statutory Crown entities

Crown entity chief executive remuneration is set by the Board after consultation with the State Services Commissioner. Under the Crown Entities Act 2004, Boards of other statutory Crown entities (excluding District Health Boards and Tertiary Education Institutions) are responsible for setting their chief executives' remuneration but are required to consult with the Commissioner on changes to their chief executives' remuneration. The Commissioner provides all board chairs with guidance when considering increases to chief executive remuneration which is consistent with remuneration movements in the broader State sector workforce. This indicates the Commissioner's expectations for reasonable increases, taking into account individual performance, and a chief executive's position in a remuneration range. (More information on executive pay in the State sector can be found at www.ssc.govt.nz).

In some cases, chief executives' reported total remuneration varies significantly between 2013/14 and 2014/15. Changes in reported remuneration between years are driven by several factors. These include increases in job size leading to increased base remuneration, variations in the amount of performance pay received, the appointment of new chief executives on starting salaries higher or lower than their predecessors, and payment of contractual entitlements at the end of a chief executive's term. These factors are present in every year and impact on reported figures to a greater or lesser extent.

The remuneration disclosures for Statutory Crown entity chief executives (excluding DHBs and TEIs) this year should be read considering the following:

- The figures disclosed below relate to remuneration received in 2014/15 and any remuneration increases or performance payments generally relate to a chief executive's performance in the 2013/14 year.
- A large number of chief executives may have received 27 fortnightly pays this year (rather than the usual 26) which increased the amount of remuneration received.
- The timing of performance and remuneration reviews and performance payments can result in one or more than one performance payment being made during the year, and back-pay of any remuneration increases.
- Five chief executives received a larger than average remuneration increase to address a job size increase. (When a Board considers their chief executive's role has changed in scale, scope and/or complexity, they engage an independent consultant to review the job size. An increase in job size sometimes results in an increase in pay.)
- The figure disclosed as the payment on the last day of duty refers to contractual entitlements which may include retiring leave, annual leave not taken and employer superannuation payments owing on end of term entitlements.

For the 2014/2015 year, the average increase to total remuneration packages for **Other Statutory Crown entity chief executives** (whose remuneration reviews were completed and advised to SSC by 30 June 2015) was 3.1%, and the median was 2.5%. Excluding the additional increases related to job resizing, the average increase was 2.5%, and the median was 2.3%.

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Accident Compensation Corporation	\$760,000 to \$769,999		\$600,000 to \$609,999		
Arts Council of New Zealand Toi Aotearoa (Creative New Zealand)	\$280,000 to \$289,999		\$270,000 to \$279,999		
Broadcasting Commission (New Zealand On Air)	\$340,000 to \$349,999		\$310,000 to \$319,999		
Broadcasting Standards Authority	\$110,000 to \$119,999 Under \$100,000	1 July 2014 to 22 January 2015 23 January 2015 to 30 June 2015	\$160,000 to \$169,999		
Callaghan Innovation	\$570,000 to \$579,999		\$520,000 to \$529,999		
Careers New Zealand	\$270,000 to \$279,999		\$220,000 to \$229,999 ¹ Under \$100,000	1 July 2013 to 18 February 2014 26 May 2014 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$22,159
Civil Aviation Authority of New Zealand	\$350,000 to \$359,999		\$340,000 to \$349,999		
Commerce Commission	\$380,000 to \$389,999		\$370,000 to \$379,999		
Drug Free Sport New Zealand	\$140,000 to \$149,999		\$140,000 to \$149,999		
Earthquake Commission	\$450,000 to \$459,999		\$430,000 to \$439,999		
Education New Zealand	\$320,000 to \$329,999		\$300,000 to \$309,999		
Electricity Authority	\$330,000 to \$339,999		\$310,000 to \$319,999		
Energy Efficiency and Conservation Authority	\$330,000 to \$339,999		\$280,000 to \$289,999		
Environmental Protection Authority	\$350,000 to \$359,999 ¹	1July 2014 to 19 June 2015	\$320,000 to \$329,999		Figure includes payment of entitlements at last day of duty of \$18,569

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
External Reporting Board	\$230,000 to \$239,999 ¹	1July 2014 to 17 April 2015	\$230,000 to \$239,999		1. Figure includes payment of entitlements at last day of duty of \$31,924
Families Commission	\$270,000 to \$279,999		\$260,000 to \$269,999		
Financial Markets Authority	\$490,000 to \$499,999		\$300,000 to \$309,999 ¹ \$180,000 to \$189,999	1 July 2013 to 31 December 2013 3 February 2014 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$25,492
Guardians of New Zealand Superannuation	\$830,000 to \$839,999		\$800,000 to \$809,999		
Health Promotion Agency	\$270,000 to \$279,999		\$260,000 to \$269,999		
Health Quality and Safety Commission	\$390,000 to \$399,999		\$370,000 to \$379,999		
Health Research Council of New Zealand	\$140,000 to \$149,999	26 January 2015 to 30 June 2015	\$350,000 to \$359,999 ¹	1 July 2013 to 28 June 2014	1. Figure includes payment of entitlements at last day of duty of \$71,076
Heritage New Zealand Pouhere Taonga	\$260,000 to \$269,999		\$250,000 to \$259,999		Previously known as New Zealand Historic Places Trust (Pouhere Taonga)
High Performance Sport New Zealand Ltd	\$420,000 to \$429,999		\$410,000 to \$419,999		
Hobsonville Land Company	\$390,000 to \$399,999		\$390,000 to \$399,999		
Housing New Zealand Corporation	\$520,000 to \$529,999		\$460,000 to \$469,999		
Human Rights Commission	\$270,000 to \$279,999 ¹ Under \$100,000	1July 2014 to 15 January 2015 16 January 2015 to 30 June 2015	\$230,000 to \$239,999		1. Figure includes payment of entitlements at last day of duty of \$111,955
Maritime New Zealand (Maritime Safety Authority of New Zealand)	\$300,000 to \$309,999		\$300,000 to \$309,999		
Museum of New Zealand Te Papa Tongarewa	\$150,000 to \$159,999 ¹ \$290,000 to \$299,999	1July 2014 to 8 September 2014 24 November 2014 to 30 June 2015	\$270,000 to \$279,999 ²	1 July 2013 to 9 May 2014	 Figure includes payment of entitlements at last day of duty of \$90,770 Chief Executive on long-term secondment from 12 May 2014
New Zealand Antarctic Institute (Antarctica New Zealand)	\$310,000 to \$319,999		Under \$100,000 \$130,000 to \$139,999	1 July 2013 to 13 September 2013 6 January 2014 to 30 June 2014	
New Zealand Artificial Limb Service	\$180,000 to \$189,999 ¹ Under \$100,000	1July 2014 to 25 January 2015 26 January 2015 to 30 June 2015	\$200,000 to \$209,999		1. Figure includes payment of entitlements at last day of duty of \$32,571
New Zealand Blood Service	\$350,000 to \$359,999 ¹ Under \$100,000	1July 2014 to 17 April 2015 18 April 2015 to 30 June 2015	\$340,000 to \$349,999		1. Figure includes payment of entitlements at last day of duty of \$61,979
New Zealand Film Commission	\$260,000 to \$269,999		\$140,000 to \$149,999 ¹ \$120,000 to \$129,999	1 July 2013 to 1 November 2013 1 January 2014 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$28,712
New Zealand Fire Service Commission	\$400,000 to \$409,999		\$360,000 to \$369,999		
New Zealand Food Innovation Ltd (Foodbowl)	\$290,000 to \$299,999		\$250,000 to \$259,999 ¹		Foodbowl became a Crown Entity subsidiary during the 2013/2014 financial year. 1. Figure reflects the remuneration received for the full financial year
New Zealand Lotteries Commission	\$440,000 to \$449,999		\$430,000 to \$439,999		
New Zealand Productivity Commission	\$160,000 to \$169,999		\$140,000 to \$149,999 ¹ Under \$100,000	1 July 2013 to 13 December 2013 16 December 2013 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$22,972
New Zealand Qualifications Authority	\$440,000 to \$449,999		\$430,000 to \$439,999		2013/14 disclosure incorrectly reported the band as \$420,000 to \$429,999
New Zealand Symphony Orchestra	\$250,000 to \$259,999		\$250,000 to \$259,999		
New Zealand Teachers Council	Under \$100,000 ¹	1July 2014 to 3 September 2014	\$210,000 to \$219,999		1. Figure includes payment of entitlements at last day of duty of \$63,903
New Zealand Tourism Board (Tourism New Zealand)	\$590,000 to \$599,999		\$510,000 to \$519,999		
New Zealand Trade and Enterprise	\$570,000 to \$579,999		\$560,000 to \$569,999		
New Zealand Transport Agency	\$660,000 to \$669,9991		\$620,000 to \$629,999		Figure includes a component relating to a job resizing
New Zealand Walking Access Commission	\$170,000 to \$179,999		\$160,000 to \$169,999		

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Pharmaceutical Management Agency	\$380,000 to \$389,999 ¹		\$340,000 to \$349,999		1. Figure includes a component relating to a job resizing
Public Trust	\$470,000 to \$479,999		\$350,000 to \$359,999 ¹	1 July 2013 to 20 December 2013	1. Figure includes payment of entitlements at last day of duty of \$114,587
			\$230,000 to \$239,999	23 December 2013 to 30 June 2014	
Real Estate Agents Authority	\$230,000 to \$239,999		\$230,000 to \$239,999		
Social Workers Registration Board	\$140,000 to \$149,999		\$150,000 to \$159,999		
Sport New Zealand (formerly Sport and Recreation New Zealand)	\$370,000 to \$379,999		\$360,000 to \$369,999		
Standards Council (Standards New Zealand)			Under \$100,000	1 July 2013 to 6 September 2013	Chief Executive on long-term secondment to CCDHB from 9 September 2013
Takeovers Panel	\$290,000 to \$299,999		\$270,000 to \$279,999		
Te Reo Whakapuaki Irirangi (Te Māngai Pāho, Māori Broadcasting Funding Agency)	\$220,000 to \$229,999 ¹		\$200,000 to \$209,999		Figure includes a component relating to a job resizing
Te Taura Whiri I Te Reo Māori (Māori Language Commission)	Under \$100,000 ¹	16 August 2014 to 31 October 2014	\$100,000 to \$109,999	1 July 2013 to 19 January 2014	1. Figure includes payment of entitlements after last day of duty of \$22,100
Telarc SAI Ltd	\$130,000 to \$139,999 ¹	1 July 2014 to 7 November 2014	Under \$100,000 ²	10 10 10 10 10 10 10 10 10 10 10 10 10 1	1. Figure includes payment of entitlements after last day of duty of \$21,600. Figure also includes component relating to a job resizing
	Under \$100,000	1 April 2015 to 30 June 2015	\$150,000 to \$159,999	19 August 2013 to 30 June 2014	Figure includes payment of entitlements after last day of duty of \$16,304
Tertiary Education Commission	\$470,000 to \$479,999		\$410,000 to \$419,999		
Testing Laboratory Registration Council (International Accreditation New Zealand)	\$250,000 to \$259,999 ¹		\$250,000 to \$259,999		1. Figure includes a component relating to a job resizing
Transport Accident Investigation Commission	\$220,000 to \$229,999		\$220,000 to \$229,999		
Worksafe New Zealand	\$340,000 to \$349,999		Under \$100,000	17 March 2014 to 30 June 2014	

Table 5: Total remuneration received by chief executives and other senior staff under the jurisdiction of the Remuneration Authority

The chief executives included in this table have their remuneration set by the **Remuneration Authority**.

The Remuneration Authority reviews the remuneration of all positions in its jurisdiction every year. Section 14 of the Remuneration Authority Act 1977 provides that once the Authority has made a determination, the recipients of that determination cannot decline or amend it in any way.

"Remuneration for these positions is set by reference to the job size of each position (determined independently), and the pay scale the Authority determines each year for this purpose. The job sizes of the positions are reviewed whenever the scale, scope, or complexity of the position has changed to a degree necessary to warrant a review."

"During the year the Authority continued to liaise closely with the State Services Commission in setting its pay scale. This recognises that both the Authority and the Commission set remuneration in the public sector, and it makes sense to align, as far as possible, our respective approaches to remuneration setting."

"The Authority also looks at remuneration levels in the private sector, but at the more senior levels there still remain large gaps between private sector and public sector remuneration for the same sized jobs."

"The pay scale established by the Authority for the 2014/15 year exhibited increases between 1.9% and 4.0% over the previous year."

extracts from the Remuneration Authority 2015 Annual Report

Organisation	Total Remuneration band 2014 - 2015	Effective date 2014 - 2015	Total Remuneration band 2013 - 2014	Effective date 2013 - 2014	Notes
Chief of the New Zealand Defence Force	\$630,000 to \$639,999		\$580,000 to \$589,999 ¹ \$250,000 to \$259,999	1 July 2013 to 31 January 2014 1 February 2014 to 30 June 2014	1. Figure includes payment of entitlements on last day of duty of \$220,084
Chief Ombudsman	\$370,000 to \$379,999		\$360,000 to \$369,999		
Chief Parliamentary Counsel	\$380,000 to \$389,999		\$370,000 to \$379,999		
Clerk of the House of Representatives	\$360,000 to \$369,999		\$350,000 to \$359,999		
Commissioner of Police	\$680,000 to \$689,999		\$1,020,000 - \$1,029,999 ¹ \$110,000 to \$119,999	1 July 2013 to 2 April 2014 3 April 2014 to 30 June 2014	1. 2013/14 disclosure incorrectly reported the band as \$520,000 to \$529,999. Figure includes payment of entitlements at last day of duty of \$506,060
Controller and Auditor-General	\$560,000 to \$569,999		\$550,000 to \$559,999		
Deputy State Services Commissioner	\$420,000 to \$429,9991 Under \$100,000	1 July 2014 to 30 April 2015 1 May 2015 to 30 June 2015	\$410,000 to \$419,999		1. Figure includes payment of entitlements at last day of duty of \$8,373
Director of the Government Communications Security Bureau	\$390,000 to \$399,999 ¹ \$110,000 to \$119,999	1 July 2014 to 28 February 2015 2 March 2015 to 30 June 2015	\$360,000 to \$369,999		1. Figure includes payment of entitlements at last day of duty of \$48,227
Director of the New Zealand Security Intelligence Service	\$370,000 to \$379,999		\$320,000 to \$329,999 Under \$100,000	1 July 2013 to 30 April 2014 1 May 2014 to 30 June 2014	
General Manager of the Parliamentary Service	\$340,000 to \$349,999		\$160,000 to \$169,999 ¹ \$140,000 to \$149,999	1 July 2013 to 2 August 2013 27 January 2014 to 30 June 2014	1. Figure includes payment of entitlements at last day of duty of \$133,994
Parliamentary Commissioner for the Environment	\$310,000 to \$319,999		\$280,000 to \$289,999		
Solicitor-General	\$600,000 to \$609,999		\$580,000 to \$589,999		
State Services Commissioner	\$650,000 to \$659,999		\$610,000 to \$619,999		