



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1578
Date Referred: 8/03/2023 **Date Published:** 20/03/2023
Proposal Title: Senior Executive and Parliamentarian Wage Freeze
Cluster: Whole of Government

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	(37,712)	(70,081)	(71,833)	(179,627)
Depreciation					
Less: Offsets					
Revenue					
Net Operating Balance:	-	37,712	70,081	71,833	179,627

Capital Expenditure	-				
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	37,712	70,081	71,833	179,627
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Total State Sector Impacts

Net Lending/(Borrowing):	-	37,712	70,081	71,833	179,627
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Notes and costing assumptions:

The proposal is to introduce a nominal wage freeze for 2 years commencing in 2023-24 for senior executives and Parliamentarians.

The PBO has assumed:

- The proposed policy will apply to both the Senior Executive Service (SES) and equivalent positions.
- Oncosts represent 20 per cent of the remuneration package of senior executives and Parliamentarians and represent items such as IT and back office support functions.
- The nominal wage freeze extends to 30 June 2025.

The PBO estimates savings under the proposal totalling \$179.6 million to the end of 2025-26 as follows:

	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Senior Executives	36,195	67,262	68,944	172,400
Parliamentarians	1,517	2,819	2,890	7,226
Total	37,712	70,081	71,833	179,627

Notes and costing assumptions continued:

Background

Based on Public Service Commission data there were 3,680 senior executives in the Government Sector in 2020-21. The PBO estimates the average salary of senior executives in 2022-23 is \$273,000.

The PBO assumes that the relevant legislative and regulatory changes would be implemented to instruct both the Statutory and Other Officers Remuneration Tribunal (SOORT) and the Parliamentary Remuneration Tribunal to incorporate the remuneration freeze in future determinations.

Caveat

The number of senior executives changes from year to year and the costing is based on the number of senior executives in 2020-21 which could vary from the current number.