

Changes to annual reporting for senior executives and workforce diversity

PSCC 2014-09

Active

Description

This Circular provides guidance to Departments and statutory bodies on implementing changes to the *Annual Reports (Departments) Regulation 2010* and the *Annual Reports (Statutory Bodies) Regulation 2010* in relation to reporting on senior executives and workforce diversity.

Recent amendments to the *Annual Reports (Departments) Regulation 2010* (ARDR) and the *Annual Reports (Statutory Bodies) Regulation 2010* (ARSBR) consequential to the enactment of the *Government Sector Employment Act 2013* have changed some annual reporting requirements. This Circular outlines those changes and provides additional guidance to assist Departments and statutory bodies in preparing their annual reports.

Senior executive reporting

The senior executive reporting amendments are detailed in ARDR clause 8 and ARSBR clause 14. The terms senior executive and senior executive band are defined in ARDR clause 3 and ARSBR clause 3.

These amendments require annual reports to include the following information in relation to senior executives:

- The number of senior executives employed at the end of the reporting year broken down by band and then gender within each band, compared with the numbers at the end of the previous reporting year
- The average remuneration of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year
- The percentage of total employee-related expenditure in the reporting year that relates to senior executives, compared with the percentage at the end of the previous reporting year

A person who is temporarily assigned, seconded or otherwise acting in a senior executive role or in a higher band at the end of the reporting year is taken to be employed in that role and band.

Transitional former senior executives in the Public Service (i.e. former SES and former Senior Officers) are taken to be Public Service senior executives and employed in the equivalent band.

For the 2013-2014 reporting year only, Departments and statutory bodies are not required to present a comparison with information for the previous reporting year.

What band are senior executives employed in?

Transitional former senior executives in the Public Service and other executives not within the Public Service are to be reported within a band that includes the “remuneration package” (or if the remuneration package does not fit within a band, the closest remuneration package) to which the executive is entitled.

Departments and statutory bodies are no longer required to report on the performance of senior executives in their annual reports.

What is a remuneration package?

The term “remuneration package” is used in the definition of senior executive band in ARDR clause 3 and ARSBR clause 3.

Departments and statutory bodies should include the following elements in the calculation of the remuneration package for senior executives:

- monetary remuneration, including allowances paid in money except travelling or subsistence allowances, allowances in relation to relocation expenses, or any other allowances in relation to expenses incurred in the discharge of the employee’s duties
- contributions by the employer to a superannuation scheme or fund of the employee
- any other benefits provided to the employee at the cost of the employer that are of a private nature

What is employee-related expenditure?

The term “employee-related expenditure” is used in the ARDR clause 8 and ARSBR clause 14. Many Departments and statutory bodies include an “employee-related expenditure” category in their financial reports. “Employee-related expenditure” commonly includes salaries and wages (including recreation leave), superannuation, long service leave, workers’ compensation insurance, payroll tax and fringe benefits (see Treasury Policy Paper 14-02 *Financial Reporting Code for NSW General Government Sector Entities* note 2). “Employee-related expenditure” may also include other categories of expenditure, but for the purposes of this requirement, shall not include expenditure arising from voluntary redundancy payments or termination payments made as a result of the determinations by the Statutory and Other Offices Remuneration Tribunal.

Departments and statutory bodies should seek guidance from their finance or accounting teams for detailed information on employee-related expenditure relevant to them.

Example disclosure:

Band	20X2		20X1	
	Female	Male	Female	Male
Band 4 (Secretary)	1	0	1	0
Band 3 (Deputy Secretary)	3	3	4	2
Band 2 (Executive Director)	12	13	13	13
Band 1 (Director)	41	39	42	43
Totals	57	55	60	58
	112		118	

Band	Range \$	Average remuneration	
		20X2 \$	20X1 \$
Band 4 (Secretary)	422,501 - 488,100	440,000	445,000
Band 3 (Deputy Secretary)	299,751 - 422,500	350,000	350,000
Band 2 (Executive Director)	238,301 - 299,750	260,000	255,000
Band 1 (Director)	167,100 - 238,300	180,000	190,000

2.43% of the [Department/Statutory Body]’s employee related expenditure in 20X2 was related to senior executives, compared with 2.45% in 20X1.

Workforce diversity reporting

ARDR Schedule 1 and ARSBR Schedule 1 require that Departments and statutory bodies disclose workforce diversity information in their annual report.

Departments and statutory bodies must report statistics for both the *representation* and *distribution* of employees in diversity groups, in the same format as the report provided to each agency by the Public Service Commission.

Additionally, Departments and statutory bodies must report on their workforce diversity achievements during the reporting year and their key workforce diversity strategies proposed for the following year.

Information on workforce diversity reporting can be found at <http://www.psc.nsw.gov.au/Sector-Support/Equity-and-Diversity/Annual-Reporting>.

More information

Contact the [Public Service Commission](#) for any specific enquiries related to senior executive and workforce diversity reporting in annual reports.

Contact the [Treasury Accounting Policy Branch](#) or visit the [Treasury Annual Reporting website](#) for general information on annual reporting.

Jo Grisard
Acting Public Service Commissioner

Authorities:

Annual Reports (Departments) Regulation 2010
Annual Reports (Statutory Bodies) Regulation 2010

Who needs to know about this Circular?

Departments, Executive Agencies related to Departments, Separate Agencies, Statutory Authorities/Bodies, State Owned Corporations, Universities

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Replaces:	This Circular has not superseded any other document.		
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Replaced by:	This Circular is currently in effect.		
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