

FOI 04/2018 – SCHEDULE OF DOCUMENTS

	Date	Description	Pages	Decision
1	3.01.2006	Letter from Chairman, Tourism Australia (TA) to President, Remuneration Tribunal ( <b>Tribunal</b> )	1	Release
2	21.06.2006	Letter from President, Tribunal to Chairman, TA and attachment	4	Release
3	21.06.2006	Letter from President, Tribunal to Managing Director, TA and attachment	6	Release
4	11.07.2006	Letter from Chairman, TA to President, Tribunal	1	Release
5	1.08.2006	Emails between Tribunal Secretariat and Secretary, Department of Industry, Tourism and Resources with attachment	10	Exempt
6	1.08.2006	Emails between Tribunal Secretariat and President, Tribunal	3	Exempt
7	1.08.2006	Tribunal meeting brief	3	Exempt
8	Undated	Draft letter from President, Tribunal to Chairman, TA	2	Exempt
9	Undated	Draft letter from President, Tribunal to Chairman, TA	2	Exempt
10	08.08.2006	Letter from President, Tribunal to Chairman, TA with attachment	10	Exempt
11	08.08.2006	Record of meeting between Minister for Small Business and Tourism and Tribunal	1	Partially exempt
12	23.08.2006	Letter Chairman, TA to President, Tribunal with attachment	4	Exempt



RECEIVED  
09 JAN 2006  
Remuneration Tribunal  
Secretariat CANBERRA

3 January 2006

Mr John Conde  
President  
Remuneration Tribunal  
PO BOX 281  
Civic Square ACT 2608

Dear John,

This is to formally acknowledge your letter of 16<sup>th</sup> of December, conveying information arising from the review of the Principle Executive Office (PEO) structure. I have carefully noted the Tribunal's decisions and will convey them to the relevant elements of Tourism Australia forthwith.

Yours sincerely,

Tim Fischer  
Chairman, Tourism Australia



REMUNERATION TRIBUNAL

John C Conde AO  
*President*

The Hon Tim Fischer  
Chairman  
Tourism Australia  
GPO Box 2721  
Sydney NSW 2001

Dear Mr Fischer

On 16 December 2005 I wrote to you to advise the total remuneration reference rate (reference rate) for the office of Managing Director, Tourism Australia following finalisation of the Remuneration Tribunal's review of the Principal Executive Office (PEO) Classification Structure. I also advised you that each financial year, the Tribunal would adjust its reference rate for each PEO to reflect the outcome of its annual review. The Tribunal is now writing to advise you, as the employing body of the above office, of the 2006-07 reference rate for this office.

In general, the 2006-07 reference rate has been calculated by increasing by 4.4 per cent the reference rate advised in my letter of 16 December 2005. The increase is consistent with the Tribunal's annual review of the salary bands in the PEO Classification Structure.

On 16 December 2005, the Tribunal advised that the reference rate for this office was \$318,031 effective from 19 December 2005.

The 2006-07 ongoing reference rate for this office, effective from 1 July 2006, is \$332,030. In light of the short notice regarding the availability of the 2006-07 reference rates, the Tribunal has agreed to waive the "no retrospectivity" provisions of the PEO Determination, provided that increases to a PEOs total remuneration that apply on or after 1 July 2006 are approved by 30 September 2006.

The Tribunal has also established the range, around the reference rate, within which employing bodies are able to determine remuneration without reference to the Tribunal, subject to the total remuneration limits that apply to each Band. In 2006-07, the range limits are 2.5 per cent above the reference rate (reflecting the two increments in discretion of 1.25 per cent each) and 10 per cent below it. A copy of the Tribunal's statement on the outcomes of the annual review, outlining the additional scope for employing bodies to exercise their discretion, is attached for your information.

To ensure sufficient scope for employing bodies to exercise their discretion, the Tribunal adjusted the maximum of the salary bands in the PEO Classification Structure by 2.5 per cent in Tribunal Determination 2006/09, and then adjusted

the bands again by 4.4 per cent in line with the annual review increase in Tribunal Determination 2006/11. These determinations are available on the Tribunal's homepage [www.remtribunal.gov.au](http://www.remtribunal.gov.au).

Should an employing body consider that some additional scope for adjusting remuneration for an office beyond the permissible range is justified, it would need to seek the Tribunal's agreement. Any submission to the Tribunal in this regard will need to specify clearly the factors considered to justify a departure from the remuneration range for the office. The Tribunal notes that, except where the employing body obtains the Tribunal's approval, for the first 12 months of a new appointee's appointment, total remuneration must not exceed the reference rate.

The Tribunal will continue to monitor the operation of these arrangements closely. To this end employing bodies are required to notify the Tribunal of any change to a PEO's terms and conditions **within 4 weeks** of such a change being determined. To assist in that task, a pro forma declaration is available on the Tribunal's homepage.

The contact officers in the Secretariat, should you have any queries on the outcomes of the review, are Geoff Stannard on 02 6121 7802 and David Markham on 02 6121 5787.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Conde". The signature is fluid and cursive, with the first name "John" and the last name "Conde" clearly distinguishable.

John C Conde AO  
President  
21 June 2006

Encl: *PEO Review and Revised Remuneration Structure Statement.*



## REMUNERATION TRIBUNAL

### PEO REVIEW AND REVISED REMUNERATION STRUCTURE

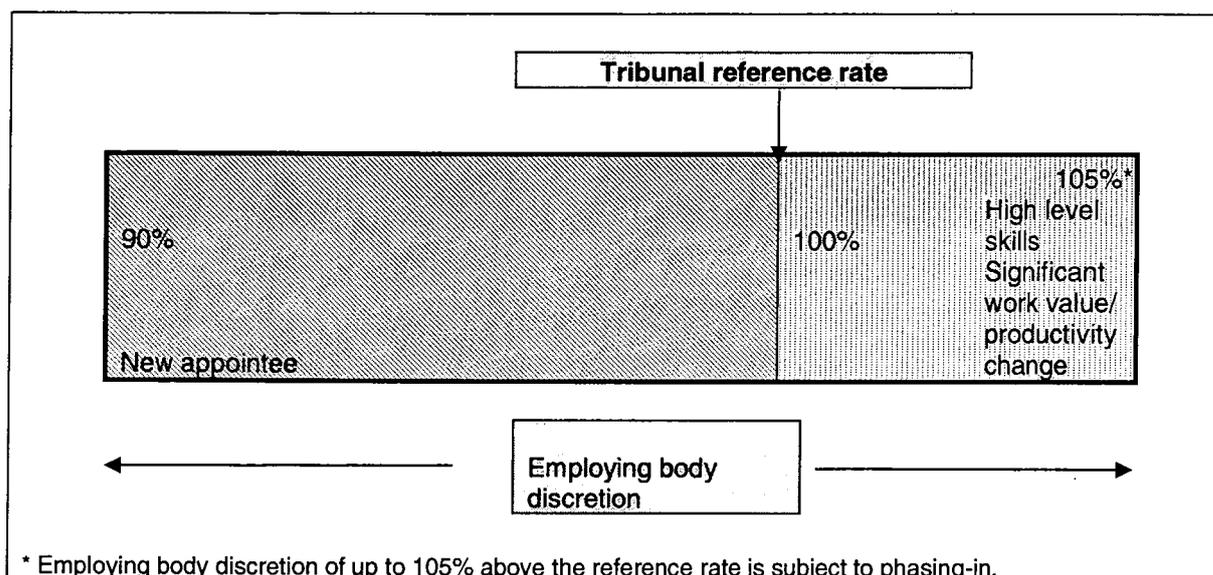
In late 2004 the Tribunal embarked on a review of the PEO structure. In finalising the review, the Tribunal maintained the existing five Band structure, and continued the linkage between productivity improvement and individual performance and PEO remuneration.

The key outcomes of the review were:

- commencing in 2005-06, the establishment of a total remuneration reference rate for each PEO to serve as the basis on which an employing body will be able to exercise discretion in determining remuneration, with the reference rate being adjusted annually to reflect the outcome of the Tribunal's annual review;
- discretion for employing bodies to make adjustments above the total remuneration reference rate for a PEO as follows:
  - up to an additional 1.25 per cent above the 2005-06 reference rate;
  - an additional 1.25 per cent above the reference rate (2.5 per cent in total) in 2006-07;
  - an additional 1.25 per cent above the reference rate (3.75 per cent in total) in 2007-08; and
  - an additional 1.25 per cent above the reference rate (5 per cent in total) from 2008-09 onwards;
- except where the employing body obtains the Tribunal's approval, for the first twelve months of a new appointee's appointment, total remuneration must not exceed the reference rate;
- commencing in the 2005-06 financial year, an employing body will be able to determine total remuneration at up to 10 per cent below the reference rate; and
- the maximum 'at risk' performance pay for Bands D and E increased from 15 per cent to 20 per cent of total remuneration; the performance pay maximum for other Bands remains at 15 per cent.

In September 2005, the Tribunal wrote to employing bodies and others providing them with copies of the proposed revised PEO determination for comment. The Draft Guide was circulated for comment in December 2005.

The following diagram summarises the operation of the "remuneration range" concept and the scope for employing body discretion:



### Amendments to the PEO Remuneration Structure

The Tribunal reviews the remuneration rates in the PEO structure annually. Adjustments are generally made with effect from 1 July in the current year. As a result of the changes arising from the review of the PEO structure, the adjustment of remuneration involves the following steps:

- annual review of the PEO structure itself;
- variation of the salary reference rate established for each individual PEO, with advice to be provided to the relevant employing bodies; and
- during the transition phase, variation of the PEO structure to provide the additional scope consistent with the additional discretion (increasing annually) to employing bodies to vary remuneration above the salary reference rate.

Consistent with the provision of the additional scope for employing bodies to exercise their discretion, the Tribunal has determined a 2.5 per cent (rounded up) adjustment to the maximum of the salary bands in the PEO structure, with effect from 1 July 2006:

- this variation reflects the two increments in discretion - 1.25 per cent each - totalling 2.5 per cent available to employing bodies for 2006-07 – as reflected in Determination 2006/09.

The Tribunal will make similar adjustments in future to accommodate the additional 2.5 per cent discretion arising from the review.

The final outcomes of the adjustments to the PEO structure outlined above are shown in **Table A1 of Determination 2006/09**.



REMUNERATION TRIBUNAL

John C Conde AO  
*President*

Mr Scott Morrison  
Managing Director  
Tourism Australia  
GPO Box 2721  
SYDNEY NSW 2001

Dear Mr Morrison

On 16 December 2005 I wrote to your predecessor to advise of the relevant total remuneration reference rate (reference rate) for your office following finalisation of the Remuneration Tribunal's review of the Principal Executive Office (PEO) Classification Structure. I also advised that each financial year, the Tribunal would adjust its reference rate for each PEO to reflect the outcomes of its annual review.

The Tribunal is now writing to advise you of the relevant reference rate for your office. The 2006-07 reference rate for your office, effective from 1 July 2006, is \$332,030. In light of the short notice regarding the availability of the 2006-07 reference rates, the Tribunal has agreed to waive the "no retrospectivity" provisions of the PEO Determination, provided that increases to a PEOs total remuneration that apply on or after 1 July 2006 are approved by 30 September 2006.

The Tribunal has also established the range, around the reference rate, within which employing bodies are able to determine remuneration without reference to the Tribunal, subject to the increased total remuneration limits that apply to each Band. In 2006-07, the range limits are 2.5 per cent above the reference rate (reflecting the two increments in discretion of 1.25 per cent each) and 10 per cent below it.

A copy of the Tribunal's statement on the outcomes of the annual review, outlining the additional scope for employing bodies to exercise their discretion, is attached for your information.

The contact officers in the Secretariat, should you have any queries on the outcomes of the review, are Geoff Stannard on 02 6121 7802 and David Markham on 02 6121 5787.

Yours sincerely

A handwritten signature in black ink, appearing to read "John C Conde". The signature is written in a cursive style with a large initial 'J' and 'C'.

John C Conde AO  
President  
21 June 2006

Encl: *PEO Review and Revised Remuneration Structure Statement.*



## REMUNERATION TRIBUNAL

### Statement on 2006 Reviews of Remuneration and Allowances for Holders of Public Office

The Remuneration Tribunal has inquired into and determined the remuneration and significantly related conditions for Public Office Holders (excluding judicial and related offices), as required under sub-sections 7(3) and 7(4) of the *Remuneration Tribunal Act 1973* (the Act).

The statement summarises the outcome of the Tribunal's annual reviews of full-time and part-time public offices, Specified Statutory Officers, and the Principal Executive Office (PEO) structure.

The Tribunal, having had regard to a range of factors, decided that an adjustment of 4.4% is justified. In the case of full-time and part-time public offices, and Specified Statutory Officers, the adjustment has been effected in two steps.

#### **Background**

By Determinations 2006/05, 2006/06, 2006/07 and 2006/08, the Tribunal Adjusted the base salary, total remuneration and fees, as appropriate, of Specified Statutory Officers and full-time and part-time offices. For Specified Statutory Officers, having regard for the date of effect of the previous annual adjustment, the date of effect was determined as 2 May 2006. For full-time and part-time offices, the adjustment was determined to take effect on and from 1 July 2006.

#### **Determinations 2006/11, 2006/12 and 2006/13**

Determination 2006/11 reflects the outcome of the Tribunal's annual review of the PEO classification structure. Consistent with the reviews of other offices, band maxima total remuneration and superannuation salaries have been adjusted by 4.4% with effect from 1 July 2006.

Determination 2006/11 also adjusts the base salary, total remuneration and fees, as appropriate, of Specified Statutory Officers by 0.4% with effect from 1 July 2006. This will enable future adjustments for these offices to more closely aligned with the annual reviews of other public offices.

Determination 2006/12 adjusts the fees payable to holders of part-time public offices by 0.4% with effect from 1 July 2006.

Determination 2006/13 adjusts the base salary, total remuneration and fees, as appropriate, of full-time offices by 0.4%, also with effect from 1 July 2006.

## Review of Offices in the Senior Economic Regulatory Agencies

Determination 2006/13 also incorporates the outcome of the Tribunal's review of the remuneration of the public offices in the senior economic regulatory agencies - the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC).

The Tribunal's intention, in undertaking the review, has been to ensure that the remuneration of the offices concerned is appropriate, having regard to their respective responsibilities. The remuneration of such offices must also be sufficient to ensure that governments are able to appoint capable people with the skills and experience necessary to meet the very significant, and continually evolving, responsibilities of the offices concerned.

### APRA, ASIC and the ACCC

The work of these agencies is central to the effective functioning of the Australian economy.

The ACCC enforces and administers the Trade Practices Act 1974 (TPA) and, as a result, holds a very public profile as an economic regulator. The ACCC has wide-ranging responsibilities to seek to promote effective competition and informed markets, encourage fair trading and protect consumers, and to regulate infrastructure service markets in other markets where competition is restricted. The Government has commenced an extensive legislative program to reform various aspects of the TPA.

ASIC administers corporate law in relation to some 1.4 million companies. A key challenge for ASIC is the effective regulation of licensed exchanges and listed companies. The importance of this role is underscored by the fact that more than 55% of Australian adults directly or indirectly own shares. Confident participation by retail investors is assisted by financial services laws that maintain quality and value of financial advice for some 2.1 million people with a financial adviser. ASIC's consumer protection functions now encompass 15.7 million people with a deposit account and 10.5 million people investing through superannuation or annuities.

APRA plays an important, high-profile and specialised role in the financial sector. It is the prudential regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies. APRA currently supervises institutions holding approximately \$2.2 trillion in assets for 20 million Australian depositors, policyholders and superannuation fund members.

Following the collapse of the insurance company HIH in March 2001, and the report of the HIH Royal Commission, APRA's structure and powers were reformed extensively. In particular, the previous nine-member part-time board was replaced by a full-time executive body.

The Tribunal reviewed the remuneration of the APRA offices - the Chairman, Deputy Chairman and Member - at that time and determined remuneration at levels consistent with the importance of APRA's responsibilities. The remuneration arrangements then

established have continued, varied only by annual adjustments determined by the Tribunal.

The remuneration of the ASIC offices - the Chairman, Deputy Chairman and Member - has not been reviewed substantively since ASIC's establishment, in 1998, as the successor to the Australian Securities Commission. It is apparent to the Tribunal that there have been significant changes in both the agency and its functions since that time. Consistent with the increase in its responsibilities, the resources made available to ASIC to perform its functions have increased significantly.

The remuneration of the ACCC offices - Chairman, Deputy Chairman and Commissioner - has not been reviewed substantively for some time. Legislative change has broadened the ACCC's responsibilities and its budget and number of staff have increased commensurately.

### The Tribunal's Approach

The Tribunal considers that, in general, offices of comparable responsibility should be remunerated at like levels. Changes in remuneration should have primary regard for changes in responsibility or, more generally, work value.

The Tribunal does not consider that the remuneration for public offices should be driven solely by market considerations. The Tribunal considers that the honour of appointment to a high public office entails acceptance, on the part of appointees, of less remuneration than the appointee would receive in the private sector. Nonetheless, it would be to the detriment of the federal public sector were it to lose touch with broader developments in remuneration.

### The Tribunal's Conclusions

The Tribunal considers that developments in the roles and responsibilities of ASIC and ACCC justify the remuneration of the public offices in those agencies being brought into broader alignment with the remuneration of the public offices in APRA.

In particular, the Tribunal considers that the remuneration of the offices of Chairman of ASIC and Chairman of the ACCC should continue to be closely aligned, having regard to the remuneration of the office of Chairman of APRA.

The Chairman is responsible for the effective operation of the agency which he leads. In the case of each agency, the Deputy Chairman and Member/Commissioner have less responsibility than the Chairman, although, based on discussions with the agencies, the relativities are different in each case. In the case of ACCC, the role of Deputy Chairman is closer in nature to the role of Member/Commissioner, whereas in the cases of ASIC and APRA the role of Deputy Chairman is more clearly related to that of the Chairman. The Tribunal considers that these factors should be reflected in the remuneration determined for these offices.

The Tribunal is satisfied that the remuneration levels in APRA are appropriate and therefore intends for the time being to maintain these at their existing levels – subject to the Tribunal's standard annual review.

In all three agencies, the Tribunal has given careful consideration to the roles and responsibilities of the offices of Deputy Chairman and Member/Commissioner. In the Tribunal's view, it is important that each agency should have the capacity to call on an experienced office-holder, with relatively broad exposure across the range of the agency's functions, to undertake the role of Chairman in the absence of the substantive Chairman. However, given differences in the responsibilities of the three agencies and in the ways in which they are organised and operate, the roles of Deputy Chairman and Member/Commissioner are not, in the Tribunal's assessment, uniformly determinable.

These considerations are reflected in the remuneration determined by the Tribunal for the public offices concerned which will come into effect on 1 July 2006.

The Tribunal will give further consideration to the remuneration of these public offices as part of its 2007 review.

Remuneration Tribunal  
June 2006

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14 JUL 2006

Remuneration Tribunal  
Secretariat CANBERRA



Australian Government



Tourism Australia

11 July 2006

Mr John Conde AO  
President  
Remuneration Tribunal  
PO Box 281  
Civic Square ACT 2608

Dear Mr Conde

Thank you for your advice dated 21 June 2006 advising of the finalisation of the Remuneration Tribunal's review of the Principal Executive Office Classification Structure.

I will give full consideration to your advice when reviewing the total remuneration for the office of Managing Director, Tourism Australia.

As requested, I will advise the Tribunal of any change in remuneration as and when it is determined.

Kind regards

A handwritten signature in black ink, appearing to read 'Tim Fischer'.

Tim Fischer  
**Chairman**  
**Tourism Australia**

**MEETING WITH THE HON FRAN BAILEY MP  
MINISTER FOR SMALL BUSINESS AND TOURISM**

Date: 7 August 2006  
Time: 5.30pm  
Location: Minister's Office, MF51, Parliament House, Canberra

**ATTENDEES:**

The Hon Fran Bailey MP, Minister for Small Business and Tourism  
Mr Daniel Tehan, Chief of Staff to the Minister for Small Business and Tourism

**Remuneration Tribunal**

- John Conde AO (President)
- Janet Grieve (Member)

[Note: Mr Allen participated in the Tribunal meeting on 7 August via teleconference and, not being in Canberra, was therefore unable to attend the meeting with Minister Bailey]

**Remuneration Tribunal Secretariat**

- Derren Gillespie (Secretary)

**BACKGROUND**

The meeting was arranged on the Tribunal's initiative to discuss recent developments involving Tourism Australia.

**KEY POINTS OF DISCUSSION**

The Tribunal and the Minister canvassed their respective perspectives on matters related to the departure of the Managing Director of Tourism Australia prior to the expiration of the term of his appointment.

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The Tribunal noted its intention to write to the Chairman of Tourism Australia about the matter and indicated that it would provide the Minister with a copy of its letter.

Derren Gillespie  
Secretary to the Remuneration Tribunal  
8 August 2006