

From: Tim Fischer <tafischer@bigpond.com>
Sent: Tuesday, 1 August 2006 10:48 PM
To: jconde@energy.com.au
Cc: John Hopwood; Paterson, Mark; Tony Clark
Subject: Re Agreed Separation CONFIDENTIAL

Dear John,

Please accept my thanks for our discussions tonight and your consideration of the application for exemption by the Remuneration Tribunal. As a courtesy and as confirmation, I have created a file note which I provide for your records as follows:

FILE NOTE: John Conde AO President RT and Tim Fischer Chair TA. 1/8/2006

SUBJECT: Application for an exemption in relation to the 'Agreed Separation' of Scott Morrison as Managing Director of Tourism Australia.

Following a discussion between John Conde AO and Tim Fischer at 1830 hrs on Tuesday 1st August, including questions by the President and answers supplied by the Chair in relation to some aspects of the application for exemption, the President advised the following:

"You can consider the exemption granted, but a Statement of Reasons will be issued by the Remuneration Tribunal at a later date." ENDS

I trust this is a correct recollection, I have signed the deed of Trust and Release and at 0930 hrs in the morning (Wed 2 August) Scott Morrison will be invited to sign the same document in accord with the wishes of the Board of Tourism Australia, ensuring certainty and separation forthwith.

My thanks again and I happily recall we have met previously on the Sydney/ Canberra circuit - Radio Stations and Sydney Symphony Orchestra Concerts come to mind!

Yours Sincerely,

Tim Fischer AC
Chair Tourism Australia

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From: John Hopwood
 [mailto:JHOPWOOD@tourism.australia.com] **Sent:** Wednesday, 2
 Aug 2011
 To: Karen Jacobs; Paterson, Mark; S 47F
 Cc: Tehan, Daniel
 Subject: Separation of the Managing director.

Dear fellow Directors

I confirm that the Remuneration Tribunal has granted an exemption, the Deed of Trust and Release has been signed by Scott Morrison and myself with witnesses. At the Ministers request, a short media statement will go out this afternoon. A copy will be sent to you when available.

Cheers.

Hon. Tim Fischer
 Chairman

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Tourism Australia Board Meeting No.018

Held via teleconference over three sessions:

Saturday 29 July 2006 Commenced at 0900 AEST, Adjourned at 1000AEST

Monday 31 July 2006 Commenced at 1645 AEST, Adjourned at 1805 AEST

Tuesday 01 August 2006 Commenced at 1630 AEST

MINUTES

Saturday	Present	Hon Tim Fischer	Chairman
		Ms Jane Jeffreys	Member
		Ms Karen Jacobs	Member
		Ms Valerie Davies	Member
		Mr Andrew Burnes	Member
		Mr Wayne Kirkpatrick	Member
		Mr Peter Burnett	Member
		Mr Mark Paterson	Government Member
		In Attendance: Mr John Hopwood	Board Secretary
		Apology: Mr Tony Clark	Deputy Chairman
Monday	Present	Hon Tim Fischer	Chairman
		Mr Tony Clark	Deputy Chairman
		Ms Jane Jeffreys	Member
		Ms Karen Jacobs	Member
		Ms Valerie Davies	Member
		Mr Andrew Burnes	Member
		Mr Wayne Kirkpatrick	Member
		Mr Peter Burnett	Member
		Mr Mark Paterson	Government Member
		In Attendance: Mr John Hopwood	Board Secretary
Tuesday	Present	Hon Tim Fischer	Chairman
		Mr Tony Clark	Deputy Chairman
		Ms Valerie Davies	Member
		Mr Andrew Burnes	Member
		Mr Mark Paterson	Government Member
		Mr Peter Burnett	Member
		In Attendance: Mr John Hopwood	Board Secretary
		Apologies: Mr Wayne Kirkpatrick	Member
		Ms Jane Jeffreys	Member
		Ms Karen Jacobs	Member

1 Chairman's Introduction

- 1 The Chairman provided a brief summary of the events over the past one and a half weeks which were initiated by the Minister for Tourism advising the Chairman by telephone that the Government and the Minister had lost confidence in the Managing Director.
- 2 The Chairman further advised the Board that as a consequence of this he had a telephone conversation with Mr Scott Morrison on the morning of Thursday 27 July and had told him of the Minister's advice and made seven points in relation to the matter. The Chairman further advised the Managing Director as a consequence an amicable "agreed separation" should be sought and the Deputy Chairman, Mr Tony Clark and others would meet with him on the following day to commence this process.

- 3 The Board accepted the matters presented by the Chairman and proceeded to deliberate.

2 Agreed Separation Package

- 1 The Board discussed the components of the separation package to be reflected in a Deed of Release.

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- 4 To gain compliance of the separation package, an exemption was sought from the Remuneration Tribunal to the agreed separation terms.
- 5 The Board resolved that should the Remuneration Tribunal approve the exemption then the Chairman be given authority to execute the Deed, effective from 31 July 2006.

3 Appointment of Acting Managing Director

- 1 The Board discussed the options for the appointment of an Acting Managing Director on the separation of Mr Morrison, whilst the recruitment of a replacement is being carried out.
- 2 The Board agreed to appoint Mr Geoff Buckley as the Acting Managing Director effective from 01 August 2006.

4 Commencement of the process to appoint a new Managing Director

- 1 Mr Geoff Buckley joined the meeting to discuss this agenda item.
- 2 The Board discussed the process to appoint a new Managing Director.
- 3 The Board requested Mr Geoff Buckley to prepare a draft letter to be sent to selected executive search firms to obtain quotes. This letter is to outline the following requirements for the executive search firm:
 - To place an advertisement on behalf of Tourism Australia;
 - To assist develop the criteria to vet the applicants;
 - To provide secretarial services for the recruitment process; and
 - To provide premises for recruitment interviews if required.
- 4 The Board agreed that the search firm was not to conduct an executive search on behalf of the Board.
- 5 The draft letter prepared by Mr Geoff Buckley is to be forwarded to the Board Chairman and Deputy Chairman and Chairman Human Resources Committee for approval prior to release.
- 6 Mr Geoff Buckley is to be prepare a paper for consideration at the next Board meeting which is to outline the proposed recruitment process.
- 7 Quotes received from the executive search companies are to be presented at the Board meeting to be held on 11 August 2006 for consideration.
- 8 The Board agreed that the members to be appointed to the Board selection committee be determined once nominations are received to ensure there are no conflicts of interest.

The meeting closed at 1655 AEST.

From: Hanaa Matar
<IMCEAEX-_O=ATCORG_OU=SYDNEY_CN=RECIPIENTS_CN=HMATAR@apcprd01.prod.exchang
elabs.com>
Sent: Sunday, 13 August 2006 11:46 AM
To: John Hopwood; Geoff Buckley; 'Tony Clark'; 'Mark Paterson'
Cc: 'tafischer'
Subject: DRAFT LETTER - Reply to Mr Conde at the Remuneration Tribunal

Importance: High
Sensitivity: Private

Follow Up Flag: Follow up
Flag Status: Flagged

Gentlemen,
Please see below draft letter to Mr Conde from Tim.

DRAFT

John C Conde AO
President
Remuneration Tribunal
P.O. Box 281
Civic Square ACT 2608

Dear Mr Conde,

Please accept my thanks for your letter of the 8th August in which you formally confirm acceptance of the Tourism Australia application with regard to the termination of Mr. Scott Morrison as Managing Director, but in which you also express some concerns.

I tabled your letter at the Board meeting No.19 held on Friday the 11th August 2006 and discussed with Directors all aspects relating to the separation. s 42

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In further response to the various well stated concerns you raised, I now wish to advise the following:

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- Earlier on that Monday, a handshake had been done with Scott Morrison, and a 'Staff Farewell' announcement had been made by email, Scott Morrison had commenced packing up and at 1600 a farewell staff meeting took place at HQ with Geoff Buckley, Scott Morrison and myself addressing staff and urging everyone to move on.

In all of this and in further response I acknowledge fully that the Remuneration Tribunal efficiently promulgated their PEO decisions and determinations, I always passed these to our TA HR unit. Clearly there was a misunderstanding within and between Gilbert and Tobin, and Tourism Australia which encouraged the view, wrong in actuality, that the need for 'Certainty and Seamlessness' could over-ride.

I have taken steps to ensure that this does not happen again and that Acting Managing Director Geoff Buckley will be in contact with your CEO this week, with regard to parameters of remuneration that might be offered in respect of the new Managing Director position.

I appreciate the efficient manner, in which the Remuneration Tribunal has handled this matter,

Yours Sincerely,

Tim Fischer
Chair, Tourism Australia

S 22

From: John Hopwood [mailto:JHOPWOOD@tourism.australia.com]

Sent: Wednesday, 2 August 2006 12:24 PM

To: andrew@aot.com.au; jane@winterjeffreys.com.au; Karen Jacobs; Paterson, Mark; peter@lordislestavern.com; tafischer@bigpond.com; tjaclark@bigpond.com; valerie@121.com.au; waynekirk@bigpond.com

Cc: Tehan, Daniel

Subject: Separation of the Managing director.

Dear fellow Directors

I confirm that the Remuneration Tribunal has granted an exemption, the Deed of Trust and Release has been signed by Scott Morrison and myself with witnesses. At the Ministers request, a short media statement will go out this afternoon. A copy will be sent to you when available.

Cheers.

Hon. Tim Fischer
Chairman

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REMUNERATION TRIBUNAL

John C Conde AO
President

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

Dear Mr Fischer

I am writing to you to record, formally, the Tribunal's concerns with respect to the terms of the termination of your previous Managing Director, Mr Scott Morrison. As my email to you on 2 August 2006 stated, the Tribunal resolved to accept the application from Tourism Australia in respect of the termination arrangements you agreed with Mr Morrison. The office of Managing Director in Tourism Australia is a principal executive office within the Tribunal's jurisdiction. We note that Tourism Australia agreed a termination benefit inconsistent with that fixed by the Tribunal for such offices in Determination 2005/19. I have attached a copy of the Determination for your reference.

The Tribunal understands, based on your advice, that the payment approved by the Board is an amount equivalent to one year's total remuneration for the office. Based on our advice to you, of 21 June 2006, of the ongoing reference rate for the office, effective from 1 July 2006, this suggests a payment of up to \$332,030. The Tribunal notes that, under the provisions of Determination 2005/19, the appropriate termination payment should have been based on salary (rather than total remuneration) and the remaining term of the appointment. Based on the information available to the Tribunal, this would have been less than \$120,000.

In the course of the Tribunal's consideration of this matter, we were advised that Mr Morrison had been given a Deed of Release by Tourism Australia and had "left Office on the basis of the deed provided to him." You advised the Tribunal that the Commonwealth faced the risk of litigation and additional cost were you to try to amend the terms of the termination arrangements that you had offered Mr Morrison. While uncomfortable with the sequence of events, the Tribunal's decision was underpinned by your firm advice about the risk to the Commonwealth.

This brings me to the primary purpose of this letter, namely to request your advice about the factors that gave rise to this highly unsatisfactory situation.

Termination benefits established by the Tribunal are considerably more modest than the benefits accommodated by the private sector, where a provision of the kind struck by your Board seems to have greater currency. In the Tribunal's view, commitments of the kind into which the Board seems to have entered, unilaterally, set an unacceptable precedent for the federal public sector.

A particularly troubling feature of the situation is that the Board seems to contend that it was unaware of the termination provisions applying to Principal Executive Offices (PEOs). The relevant determination is readily available on the Tribunal's web site. The Tribunal's Secretariat is available to provide quick and considered advice in circumstances where a board may be managing a rapidly changing situation. The Tribunal wrote to you, in your capacity as Chairman of Tourism Australia, on 30 June 2005, to inform you of amendments to Determination 1999/15 and to request a declaration of the total remuneration of the relevant PEO. That declaration from Tourism Australia, endorsed on 29 July 2005, indicated that all terms and conditions, including remuneration, were then in accordance with the PEO Determination. It also confirms that no consent had been given by the Tribunal for any departure from that Determination.

The Tribunal wrote to you again, on 16 December 2005, providing you with a copy of the PEO Determination. The Tribunal notes that Part 6 of the Determination, which deals specifically with the matter of compensation for early loss of office, has not changed in any material way since the PEO determination was first made in 1999.

It will be readily apparent to you, against this background, that the Tribunal has considerable difficulty in understanding how these vital aspects of PEO employment arrangements could have been overlooked by your Board. We seek your advice on this matter. It is in this context, also, that the Tribunal has asked that you provide a copy of the employment contract settled between the Tourism Australia Board and the Managing Director at the time of his initial engagement.

The PEO structure is intended to provide employing bodies, such as the Tourism Australia Board, with some additional, but not unfettered, discretion in negotiating employment arrangements with an office holder. Apart from the additional flexibility available in settling total remuneration, PEO's have the benefit of access to performance pay.

The effectiveness of these arrangements turns almost wholly on the relevant board exercising the responsibilities of an employing body diligently and in complete accordance with the PEO framework. In our view, this has not occurred in this case, at a cost to the Commonwealth. We would appreciate your views on your Board's attitude towards the administration of its responsibilities under the PEO framework.

The Tribunal expects to be consulted by the Board about the remuneration that it might propose to offer to the next substantive appointee to the office of Managing Director/CEO. In considering any proposal, the Tribunal will be mindful of the background to the existing remuneration arrangements for this office and the particulars of the PEO framework.

Yours sincerely,

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

John C Conde AO
President
8 August 2006

cc: The Hon Fran Bailey MP, Minister for Small Business and Tourism



REMUNERATION TRIBUNAL

Determination 2005/19:

Principal Executive Office - Classification Structure and Terms and Conditions

The Remuneration Tribunal has determined a Principal Executive Office (PEO) classification structure of five levels, or Bands, as well as terms and conditions that apply to offices in those Bands.

The Minister for Employment and Workplace Relations may declare an office or appointment to be a PEO, assign a classification to it and declare an Employing Body¹.

Following declaration, the Employing Body of a PEO determines the terms and conditions (including remuneration and allowances) applying to the office². The determination of an Employing Body must be consistent with this Determination, unless the Tribunal has given written consent to an Employing Body to determine terms and conditions that are inconsistent with this Determination.³

In determining a PEO's terms and conditions (including remuneration and allowances) the Employing Body should be fair, flexible and supportive of a high performing Australian Government public sector and be consistent with the Government's workplace relations policy.

This Determination comprises:

- **Part 1** – General;
- **Part 2** – Classification, Remuneration and Related Matters;
- **Part 3** – Allowances;
- **Part 4** – Official Travel;
- **Part 5** – Leave; and
- **Part 6** – Compensation for Early Loss of Office.

PART 1 – GENERAL

- 1.1 Authority:** The Remuneration Tribunal has made this Determination in accordance with the function in sub-section 5(2A) of the *Remuneration Tribunal Act 1973*.
- 1.2 Effective Date:** This Determination takes effect on and from 19 December 2005.
- 1.3 Effect on Earlier Determinations:** This Determination supersedes and revokes in full Determination 1999/15 (as varied) – *Principal Executive Office (PEO) Classification Structure and Terms and Conditions*. This Determination does not affect any accrued rights under the superseded determination.

¹ Under sections 3A(1), (2) and (6) of the *Remuneration Tribunal Act 1973*, an office may be declared to be a Principal Executive Office and a classification assigned to it, after the advice of the Remuneration Tribunal is taken into account. Under section 3B a person, authority or body may be declared the Employing Body.

² Employing Bodies determine terms and conditions under 12C(1) of the RT Act.

³ Under 12C(2) of the RT Act, an Employing Body must not determine terms and conditions inconsistent with this Determination, unless the Tribunal provides written consent.

1.4 Definitions: For the purposes of this Determination, the following definitions apply.

1.4.1 'Agency' means the agency to which the PEO is attached, or the portfolio department, if the PEO is not attached to an agency.

1.4.2 'Benefits' means all non-monetary benefits provided at the employer's expense to or on behalf of a PEO as a personal benefit including:

- the value attributed by the Remuneration Tribunal to the employer Superannuation Support (refer clause 2.8);
- a vehicle, where provided (refer clause 2.10); and
- any other benefits received by way of remuneration packaging (refer clause 2.6).

1.4.3 'Employing Body' means a specified person, authority or body declared by the Minister for Employment and Workplace Relations, under section 3B of the *Remuneration Tribunal Act 1973*, to be the employing body in respect of a principal executive office.

1.4.4 'PEO' means the holder of a 'principal executive office' as defined in the *Remuneration Tribunal Act 1973*.

1.4.5 'Performance pay' means an amount of at-risk pay awarded on the basis of performance and paid as a lump sum.

1.4.6 'Superannuation Salary' means an amount of salary which is determined under clause 2.7 for the purposes of superannuation laws, the calculation of separation benefits and payment in lieu of recreation leave.

1.4.7 'Superannuation Support' means the amount ascertained in accordance with clause 2.8, representing the employer superannuation liability.

1.4.8 'Total Remuneration' means the total value, calculated at the total cost to the employer, of:

- salary and allowances,
- lump sum payments, and
- Benefits;

but does not include;

- Performance Pay, in accordance with clause 2.11,
- Allowances specified in Part 3,
- Travelling allowances and expenditure referred to in Part 4,
- payment in lieu of recreation or long service leave referred to in Part 5, or
- Compensation for early loss of office, specified in Part 6.

1.5 Advice to the Tribunal: Employing Bodies must notify the Tribunal in writing of a PEO's terms and conditions as soon as practicable after any change (including the initial determination), but no later than 4 weeks after the date of the decision by an Employing Body, and at such other times as may reasonably be required by the Tribunal.

1.6 Agency Policies: Employing Bodies may elect to apply to PEOs the same policies and practices as they do for other employees, except where they are not in accordance with this Determination.

1.7 Guidelines: The Tribunal may issue guidance notes from time to time to assist employing bodies in the administration of this Determination.

PART 2 –CLASSIFICATION, REMUNERATION AND RELATED MATTERS

- 2.1 Classification Structure:** The Principal Executive Office classification structure is as set out in Table A1 of Schedule A to this Determination.
- 2.2 Remuneration:** An Employing Body must determine the value for the following components of a PEO's remuneration, consistent with this Determination:
- (a) Total Remuneration⁴, including Superannuation Salary;
 - (b) Performance Pay; and
 - (c) any Allowances under Part 3.
- 2.3 Setting Remuneration:** In determining the value of the terms and conditions for a PEO, an Employing Body is expected to exercise prudent business judgement commensurate with the responsibilities and accountabilities of the office. Relevant considerations will include (but are not restricted to):
- (a) the work value, role and responsibilities of the office or appointment;
 - (b) that improvements in pay and conditions should be linked to productivity gains;
 - (c) the ability of an Employing Body to recruit and retain persons with the necessary qualities and skills; and
 - (d) other relevant factors such as adjustments to the remuneration rates for the PEO classification structure.
- 2.4 Adjustment of Remuneration:** Total Remuneration determined by the Employing Body may not be varied, except with the written consent of the Tribunal.⁵
- 2.4.1** Where a variation is consented to, the Total Remuneration determined by an Employing Body must not be outside the range for the relevant classification Band shown in Table A1 of Schedule A.
- 2.5 No Retrospectivity:** An Employing Body may not backdate any variation in remuneration.
- 2.6 Remuneration packaging:** Subject to this Part, a PEO may elect to receive the value of remuneration as salary or a combination of salary and Benefits. Agency policies and procedures on salary packaging (or salary sacrifice) apply. The Office Holder must take at least 50 per cent of Superannuation Salary as salary. Any election must be consistent with relevant taxation laws and rulings or guidelines applicable to salary packaging schemes issued by the Australian Taxation Office. Any election must not result in a cost to the employer (including in relation to any fringe benefits taxation) additional to the cost which would be incurred if benefits able to be taken as salary were taken as salary.
- 2.7 Superannuation Salary:** Salary for superannuation purposes will be no more than 73 per cent of the Total Remuneration determined by the Employing Body in accordance with this Determination.
- 2.8 Employer Superannuation Support:** Total Remuneration will be taken to include the Superannuation Support provided by the employer in respect of a PEO, which has the value ascertained under sub-clause 2.8.1 or the amount of contributions under sub-

⁴ Under s.3A(4) the Minister responsible for the RT Act may set the commencing remuneration, upon assigning a PEO classification to an office. The initial Determination by an employing Body needs to be consistent with that rate.

⁵ Under 12C(2) of the RT Act, an Employing Body must not determine terms and conditions inconsistent with this Determination, unless the Tribunal provides written consent. The Tribunal intends to provide written advice to the Employing Body each financial year, setting out the extent to which any pay variations may occur without further consideration by the Tribunal and provide consent for the Employing Body to act in keeping with that advice.

clause 2.8.2. Contributions made on a salary sacrifice basis do not form part of Superannuation Support; these are covered by clause 2.6 (Remuneration Packaging).

2.8.1 Defined Benefits Schemes: In the case of a PEO who may be eligible for defined benefits under a Commonwealth superannuation scheme, except as otherwise provided in this subclause, the value of Superannuation Support will be taken to be 15.4 per cent of Superannuation Salary. Employing bodies may deduct a lesser amount (provided the amount includes the employer productivity component) where the employing body holds an actuarial opinion or documentary evidence from the relevant fund which verifies that the fund only requires the lesser amount of contribution from the employing body.

2.8.2 Other Schemes: In the case of a PEO not covered by sub-clause 2.8.1, the value of Superannuation Support will be the contributions actually paid, or liable to be paid, to a superannuation scheme by the employer in respect of the PEO.

2.8.3 No cash in lieu: The value attributable by virtue of this clause to Superannuation Support is a non-salary component of Total Remuneration and may not be the subject of an election to take an equivalent amount of salary instead.

2.9 Part-time work: Where approval is given by the employer for a PEO to perform the duties of an Office on a part-time basis, the Superannuation Salary, Total Remuneration and Performance Pay will be calculated on a pro-rata basis in accordance with the proportion of full-time hours worked. Where proposed hours are less than 60 per cent of the full-time rate, prior agreement of the Tribunal is required to the remuneration level.

2.9.1 Transitional: Where an Employing Body has determined hours of work for a PEO based on the provisions applying under the superseded PEO Determination (1999/15), any change resulting from the application of the provisions of this clause (Part-time work) need not be applied until a new office holder is appointed.

2.10 Vehicles: Where a PEO accepts an offer of an agency owned or leased vehicle for private use, the following provisions apply. Where a PEO has access to an agency owned or leased vehicle for private use, they will be considered to have accepted an offer of a vehicle for the purposes of this provision.

2.10.1 Deduct total cost: The total actual cost of the vehicle to the agency, including parking and fringe benefits tax, is to be encompassed within the Total Remuneration rate applying to the PEO.

2.10.2 Business use excluded: The total cost of the vehicle calculated under the above subclause may exclude a reasonable amount (if any) that reflects business usage patterns. Any business usage amount is to be assessed on log book records for at least a 12 week representative period. Where the annual business kilometres are less than 5,000 it will be based on the 'cents per kilometre' method. Where business kilometres are 5,000 kilometres or more, the percentage of business use to total kilometres travelled per annum will be applied to the total cost of the vehicle.

2.11 Performance Pay: Employing Bodies may establish a performance pay scheme which includes payment of a lump sum based on assessment of the performance of the PEO over a 12 month cycle.

2.11.1 Maximum: The maximum amount available per annum must not exceed 15 per cent of Total Remuneration for offices in Bands A, B or C and 20 per cent for offices in Bands D or E.

2.11.2 Guidelines: Performance pay must operate in accordance with any Guidelines issued by the Remuneration Tribunal from time to time.

PART 3 – ALLOWANCES

- 3.1 Geographic Relocation:** Reimbursement of expenses incurred on geographic relocation following appointment as a PEO, in accordance with agency policies and procedures, may be approved by the Employing Body. Any ongoing allowances must be in accordance with the following clauses.
- 3.2 Accommodation Allowance:** Where the Tribunal provides written consent, an Employing Body may determine that a PEO will be eligible to receive an accommodation allowance (subject to expenditure) following geographic relocation.
- 3.2.1** This amount is to assist the PEO in meeting settling-in and commercial rental accommodation costs (including one-off utility connection costs) in the office location while they also continue to have a property, other than in the office location, as their principal place of residence.
- 3.2.2** The allowance will not be paid for such periods that they live in premises owned by them at the office location.
- 3.2.3** A PEO will not be eligible to access travel allowance entitlements in the home locality or the office locality whilst they remain eligible to receive the accommodation allowance.
- 3.2.4** Where the commercial accommodation does not include cooking facilities, the cost of meals may form part of the payment, within the accommodation cap set for the PEO.
- 3.3 Reunion Travel:** Where the Tribunal provides written consent, an Employing Body may determine that a PEO will be eligible to receive travel costs of up to the determined amount for travel back to their principal place of residence, for the purposes of family reunion, while they continue to occupy the office.
- 3.4 Remote Localities:** Where the Tribunal provides written consent, an Employing Body may determine that a PEO will be eligible to receive benefits and/or allowances in recognition of the geographic remoteness of the office locality.

PART 4 - OFFICIAL TRAVEL

- 4.1 Official Travel:** The provisions of Determination 2004/03 – *Official Travel by Office Holders* – apply to offices covered by this Determination, subject to any exclusions or limitations in this Determination.
- 4.2 Travel Tier:** In establishing entitlements under 2004/03, the Travel Tier for an office is that advised to the Employing Body by the Remuneration Tribunal. If no advice is provided, offices in Bands A, B and C are eligible for Tier 2 travel and Bands D and E are eligible for Tier 1.

PART 5 - LEAVE

- 5.1 Leave of absence:** A PEO shall be entitled to the following types and amounts of leave of absence:
- (a) PEOs may be absent without loss of pay on public holidays that are observed by the Australian Public Service in the location in which the PEO is based;

- (b) paid annual leave of 4 weeks per year of full-time service;
- (c) paid long service leave as prescribed under the *Long Service Leave (Commonwealth Employees) Act 1976*; and
- (d) other paid and unpaid leave, including sick and carers leave, at the discretion of the Employing Body⁶.

PART 6 - COMPENSATION FOR EARLY LOSS OF OFFICE

6.1 Exclusions: A PEO is not entitled to separation benefits under clause 6.3 where:

- (a) the person resigns or retires; or
- (b) the person has served their full term of appointment; or
- (c) the appointment was terminated prematurely for reasons of misbehaviour or unsatisfactory performance; or
- (d) the appointment was terminated prematurely on account of mental or physical incapacity and the person is entitled to receive invalidity retirement benefits under Commonwealth superannuation legislation.

6.2 Alternative employment: Subject to clause 6.1, where a person's appointment to an office is terminated prematurely, the Commonwealth may elect to offer suitable alternative employment (including in a Commonwealth company or authority).

6.3 Compensation: Where the Commonwealth does not offer suitable alternative employment under Clause 6.2, the Agency will pay the officer holder 1/3 of one month of an office holder's Superannuation Salary per month of service remaining, in lieu of obligations such as provision of notice or payment instead of notice or redundancy pay and subject to:

- (a) a minimum payment of four months of an office holder's Superannuation Salary; and
- (b) a maximum payment of one year of an office holder's Superannuation Salary.

6.4 Unexpired Period: Under clause 6.3, the Employing Body may calculate service remaining taking into account any period of continuing Commonwealth service in alternative employment, and may require a PEO to sign a release in return for payment.

6.5 Comprehensive Coverage: Clauses 6.1 to 6.4 deal comprehensively with the subject of payments related to an office holder ceasing to hold office, regardless of the basis upon which the officer holder ceases to hold office.

Signed this 8th day of December 2005

John C Conde AO
PRESIDENT

Janet E Grieve
MEMBER

John D C Allen
MEMBER

⁶ PEOs may also be eligible for paid and unpaid leave as prescribed under the *Maternity Leave (Commonwealth Employees) Act 1973*.

Schedule A to the PEO Determination

Table A1 – Principal Executive Office Classification Structure and Remuneration Ranges with effect from 1 July 2005.

PRINCIPAL EXECUTIVE OFFICE CLASSIFICATION STRUCTURE		
	<i>Superannuation Salary Band Range⁷</i>	<i>Total Remuneration Band Range⁸</i>
PEO BAND A	up to \$125,930	up to \$172,500
Reference salary A ⁹	\$111,150	
PEO BAND B	\$102,200 – \$170,900	\$140,000 – \$234,100
Reference salary B	\$131,400	
PEO BAND C	\$138,700 – \$242,660	\$190,000 – \$332,400
Reference salary C	\$178,530	
PEO BAND D	\$200,750 – \$314,560	\$275,000 – \$430,900
Reference salary D	\$253,450	
PEO BAND E	from \$288,350	from \$395,000

⁷ The Superannuation Salary for a PEO is determined by the Employing Body in accordance with clause 2.7.

⁸ The Total Remuneration range for each Band is normally adjusted from 1 July each year.

⁹ This salary is identified as the reference salary for the purposes of clause 1(4)(b) of Schedule 3 to the *Remuneration and Allowances Act 1990*.



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

Dear Mr Conde,

Please accept my thanks for your letter of the 8th August in which you formally confirm acceptance of the Tourism Australia application with regard to the termination of Mr. Scott Morrison as Managing Director, but in which you also express some concerns.

I tabled your letter at the Board meeting No.19 held on Friday the 11th A
2006 and discussed with Directors all aspects relating to the separation. S 42

S 42

In further response to the various well stated concerns you raised, I now wish to advise the following:

S 42

- Earlier on that Monday, a handshake had been done with Scott Morrison, and a 'Staff Farewell' announcement had been made by email, Scott Morrison had commenced packing up and at 1600 a farewell staff meeting took place at HQ with Geoff Buckley, Scott Morrison and myself addressing staff and urging everyone to move on.



Australian Government



Tourism Australia

In all of this and in further response I acknowledge fully that the Remuneration Tribunal efficiently promulgated their PEO decisions and determinations, I always passed these to our TA HR unit. Clearly there was a misunderstanding within and between Gilbert and Tobin, and Tourism Australia which encouraged the view, wrong in actuality, that the need for 'Certainty and Seamlessness' could override.

I have taken steps to ensure that this does not happen again and that Acting Managing Director Geoff Buckley will be in contact with your CEO this week, with regard to parameters of remuneration that might be offered in respect of the new Managing Director position.

I appreciate the efficient manner, in which the Remuneration Tribunal has handled this matter,

Yours Sincerely,

Tim Fischer
Chairman, Tourism Australia
23 August 2006