

APPENDIX B: AIRSERVICES REMUNERATION REPORT 2020-21

2020-21 REMUNERATION REPORT

The purpose of this section is to summarise the:

- remuneration for Board Members
- performance outcomes and remuneration of the Executive
- remuneration for leadership roles (other than the Executive) and other staff remunerated \$230,000 and over.

The Airservices Board uses a remuneration strategy and industry-based remuneration model for the Chief Executive Officer (CEO) and Executives that directly aligns to Airservices performance and the achievement of organisational strategic objectives and customer value.

This year's report has changed from previous disclosures to align with the amended reporting requirements released by the Department of Finance.

BOARD MEMBERS AND EXECUTIVE

Board Members

We are governed by a Board that consists of a Chairman, Deputy Chair, 6 non-executive Members and the CEO. The Board, other than the CEO, is appointed by the Minister. The CEO is appointed by the Board.

The Board is responsible for determining the corporate objectives, strategies and policies, and ensuring that we perform our functions in a proper, efficient and effective manner.

TABLE 1: BOARD MEMBERS

Name	Position	Term
Mr John Weber	Chairman	Full Year
Air Chief Marshall Mark Binskin AC (Ret'd) ¹	Deputy Chair	Full Year
Ms Fiona Balfour	Board Member	Part-Year – Finished 2 September 2020
Ms Anne Brown	Board Member	Full Year
Ms Sue-Ellen Bussell AM	Board Member	Full Year
Dr Eileen Doyle	Board Member	Part Year – Appointed 21 April 2021
Dr Marlene Kanga AM	Board Member	Full Year
Mr David Marchant AM	Board Member	Full Year
Mr Tim Rothwell	Board Member	Part-Year – Finished 20 April 2021
Mr Lawrence Turner	Board Member	Part-Year – Appointed 3 March 2021
Mr Jason Harfield	Chief Executive Officer	Full Year

¹ Absent on extended leave from 20 February 2020 to 16 September 2020 to Chair the Royal Commission into National Natural Disaster Arrangements

Executives

The Executive is accountable for leading, planning and managing Airservices operations, activities and performance in pursuit of our mission.

TABLE 2: EXECUTIVES

Name	Position	Term
Ms Michelle Bennetts	Chief Service Delivery Officer	Full Year
Mr Peter Curran	Chief Customer Experience & Strategy Officer	Full Year
Ms Nicole Devlin¹	Chief Communications Officer	Part-Year – Appointed 29 March 2021
Ms Lucinda Gemmell	Chief People and Culture Officer	Full Year
Mr Mark Hind²	Chief Technology Enablement Officer	Full Year
Mr Paul Logan	Chief Financial Officer	Full Year
Ms Claire Marrison	Chief Safety and Risk Officer	Full Year
Mr Robert Porter	Executive General Manager Aviation Rescue Fire Fighting Service	Part Year – Finished 31 August 2021

¹ The Chief Communication Officer was a newly created position during the year with a single occupant of this role.

² Acting in role until appointment on 18 February 2021.

REMUNERATION STRATEGY AND SETTINGS

Executive Remuneration

The responsibility of our Executive and other leaders is to create value for customers while maintaining and enhancing aviation safety, and build a workforce that is customer-oriented with an accountable performance culture.

Within this setting, the industry-based remuneration strategy ensures our Executive individually and collectively contribute to and drive sustained organisational performance for the long term. The remuneration model consists of 2 elements: Total Fixed Remuneration (TFR) and Short Term Incentive (STI) payment.

Total Fixed Remuneration

Each Executive role is independently evaluated to determine internal and external relativities of the position's level of work value, size and complexity, accountability, and expertise and judgement required to be successful.

The position is benchmarked against a comparator group for Airservices comprising a blend of industry and sector relevant private and public sector organisations. The remuneration is subsequently set within the 50th percentile of the Mercer National General Market (MNGM). The MNGM comprises comprehensive data from over 750 organisations with over 330,000 data points across multiple industries, sectors and job families to provide an overall representation of the market.

The TFR includes cash salary, employer contributions and any salary sacrifice component. It is reviewed annually against the remuneration benchmarking data and corporate performance, with a focus on maintaining a commercially responsible position.

These key inputs are provided through external independent advice from Mercer, the world's largest human resources consulting firm.

Short Term Incentive Payments

STI payments are designed to reward and align collective Executive performance with the organisation's performance, based on key outcomes that are linked to Airservices Corporate Plan.

Based on benchmarking research conducted by Mercer, a conservative approach to STI payments has been implemented with the potential for a maximum of 10 per cent of TFR for the EGMs and for a maximum of 20 per cent of TFR for the CEO. The awarding of STI payments is solely at the Board's discretion and is based on performance and outcomes against the corporate scorecard set by the Board.

Sixty per cent of the STI is payable in the year after it was awarded with the remaining 40 per cent held back for a further 12 months. This approach drives sustained performance and success.

REMUNERATION GOVERNANCE

A key objective of the Board People, Culture and Remuneration Committee is to review matters relating to the remuneration and performance of the CEO and Executive.

The Committee comprises at least 3 non-executive Board Members, with one appointed as the Chair. In addition, the Board Chairman and CEO are ex-officio members of the Committee.

In 2020-21, the Committee Chair was Sue Bussell. The non-executive Board Members were Marlene Kanga (ceased 16 September 2020), Mark Binskin (resumed 16 September 2020), David Marchant (ceased 31 March 2021), Tim Rothwell (ceased 31 March 2021), Anne Brown (commenced 31 March 2021), and John Weber.

REMUNERATION GOVERNANCE FRAMEWORK

CHIEF EXECUTIVE OFFICER

Determine package principles for Executives

Determine performance metrics and performance outcomes for Executives



BOARD PEOPLE, CULTURE AND REMUNERATION COMMITTEE

Propose CEO package, performance metrics and performance outcomes

Review CEO recommendations on Executive remuneration, performance metrics and performance outcomes



BOARD

Review and approve CEO package, performance metrics and performance outcomes (noting Board People, Culture and Remuneration Committee recommendations)

Review and approve CEO decisions on Executive remuneration, performance metrics and performance outcomes (noting Board People, Culture and Remuneration Committee recommendations)

ANNUAL FEES AND ALLOWANCES FOR BOARD MEMBERS

Annual fees and allowances for our part-time Chairman, Deputy Chair and Board Members are determined by the Commonwealth Remuneration Tribunal. In setting remuneration, the Tribunal considers a range of matters, including workload and value of the office, fees in the private sector, and wage and other economic indices.

There were no changes to non-Executive Board members remuneration during 2020-21.



CORPORATE PERFORMANCE OUTCOMES 2020-21

The scorecard comprised key corporate performance metrics/indicators, initiatives under the pillars of our Corporate Plan and OneSKY Program milestones.

TABLE 3: CORPORATE PERFORMANCE SCORECARD

Corporate Metrics	Weighting 60%			
Outcomes	Key Performance Indicators	2020-21 Target	2020-21 Actual	Assessment
Safety	Significant attributable safety incidents – ATM and ARFF	0	0	Met
	Total lost time injury frequency rate	≤ 3.0	1.0	Met
Financial	Total operating cost per instrument flight rules flight hour (\$/hr)	890	578	Met
	Return on assets	-12.3%	-2.1%	Met
Industry outcomes	Arrival airborne delay – median (high volume operations)	0	0	Met
	Arrival airborne delay – 75th percentile (high volume operations)	≤ 3.1 mins	1.2 mins	Met
	Customer satisfaction	≥ 70%	71%	Met
People	People engagement	≥ 47	60	Met ¹
	Diversity and inclusion index	≥ 38	55	Met ¹

1. Launch of new Continuous Feedback platform (Glint) in October 2020 and scores are based on slightly different questions compared to previous annual surveys.

Corporate Initiatives	Assessment
Deliverables under One Airservices Plan	Substantially Met
Deliverables under OneSKY Program	Substantially Met
Deliverables under Airport Development Support Program	Met
Deliverables under Enterprise Network Modernisation Program (ENMP)	Met
Deliverables under Cyber Resilience	Met
Deliverables under Enabling future Services	Met
Deliverables under Environment	Met
Deliverables under Productivity	Substantially Met

In July 2021, the Board determined that, due to the impact of the COVID-19 pandemic and the prevailing business and economic climate, no STI payments for 2020-21 would be paid to Airservices leaders.

BOARD MEMBER REMUNERATION

The following table outlines the remuneration earned and accrued by Board Members throughout 2020-21.

TABLE 4: BOARD REMUNERATION

Name	Position Title	Short-term benefits			Post-employment benefits	Other long term benefits			Total Remuneration \$
		Base salary \$	Bonuses \$	Other benefits / allowances ¹ \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	
Mr John Weber	Chairman	169,420	-	7,343	16,095	-	-	-	192,858
Air Chief Marshal Mark Binskin AC (Ret'd)	Deputy Chair	83,268	-	-	7,910	-	-	-	91,179
Ms Fiona Balfour	Board member	19,765	-	-	2,453	-	-	-	22,218
Ms Anne Brown	Board member	84,715	-	1,507	8,048	-	-	-	94,270
Ms Sue Bussell AM	Board member	84,715	-	1,039	8,048	-	-	-	93,802
Dr Eileen Doyle	Board member	15,985	-	353	1,609	-	-	-	17,947
Mr David Marchant AM	Board member	84,715	-	3,212	8,048	-	-	-	95,975
Dr Marlene Kanga AM	Board member	84,715	-	654	8,048	-	-	-	93,417
Mr Tim Rothwell	Board member	68,730	-	1,805	6,741	-	-	-	77,277
Mr Lawrence Turner	Board member	27,142	-	758	2,821	-	-	-	30,721
TOTAL		723,171	-	16,671	69,822	-	-	-	809,664

¹ Includes travel allowances.

EXECUTIVE REMUNERATION

The following table outlines the remuneration earned and accrued by the Executive in 2020-21.

TABLE 5: EXECUTIVE REMUNERATION²

Name	Position Title	Short-term benefits			Post-employment benefits	Other long term benefits			Total Remuneration \$
		Base salary ³ \$	Bonuses \$	Other benefits / allowances ⁴ \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	
Mr Jason Harfield	CEO	818,922	-	8,000	73,738 ⁵	24,859	-	-	925,520
Ms Michelle Bennetts	CSDO	399,482	-	7,824	39,066	12,206	-	-	458,579
Mr Peter Curran	CCESO	463,526	-	144,224	42,788	10,026	-	-	660,564
Ms Nicole Devlin	CCO	101,949	-	-	8,962	1,810	-	-	112,721
Ms Lucinda Gemmell	CPCO	478,185	-	-	43,209	9,553	-	-	530,947
Mr Mark Hind	CTEO	293,997	-	5,908	25,882	9,233	-	-	335,019
Mr Paul Logan	CFO	409,915	-	8,022	38,179 ⁵	12,312	-	-	468,428
Ms Claire Marrison	CSRO	322,209	-	-	28,643 ⁵	9,656	-	-	360,508
Mr Robert Porter	EGM ARFF	99,830	-	-	9,320	(11,020)	-	-	98,130
TOTAL		3,388,016	-	173,978	309,787	78,635	-	-	3,950,416

² There was no change to executive remuneration between 2019-20 and 2020-21. Any change to base salary in this table reflects the adjustment for change in accrued recreation leave in accordance with RMG 138 Commonwealth entities' executive remuneration reporting guide for annual reports. In particular, there was an extraordinary reduction in accrued recreation leave balances in 2019-20 as part of an organisation-wide commitment to reduce leave balances in response to the COVID-19 pandemic.

³ Base Salary includes annual leave paid and the net movement in annual leave balance.

⁴ Includes motor vehicle and relocation allowances and associated Fringe Benefits Tax.

⁵ Member of AvSuper defined benefit superannuation scheme.



LEADERSHIP ROLES (OTHER THAN EXECUTIVE) REMUNERATION¹

The following table outlines the *average* remuneration earned and accrued by non-Executive leaders in 2020-21.

TABLE 6: OTHER LEADERS' REMUNERATION¹

Total Remuneration Bands	Number of other leaders	Short-term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average Base salary \$	Average Bonuses \$	Average Other benefits / allowances ² \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits \$	Average Total Remuneration \$
\$0 - \$230,000	146	124,214	-	177	13,266	254	-	24,801	162,712
\$230,001 - \$255,000	24	174,653	-	302	18,967	(1,652)	-	46,012	238,283
\$255,001 - \$280,000	21	187,239	-	377	18,972	25	-	61,369	267,982
\$280,001 - \$305,000	13	198,688	-	4,549	21,025	5,511	-	63,829	293,601
\$305,001 - \$330,000	8	181,762	-	4,402	18,185	2,606	-	105,310	312,265
\$330,001 - \$355,000	2	145,890	-	-	17,781	4,560	-	173,133	341,364
\$355,001 - \$380,000	3	232,461	-	-	22,137	3,339	-	109,861	367,798
\$405,001 - \$430,000	1	188,496	-	440	22,043	6,657	-	200,129	417,765
	218								

¹ Incorporates Leadership roles in new organisational structure in addition to 79 leaders in previous structure who departed during the year. Organisational restructure resulted in higher than normal numbers of departing leavers and external leader hires.

² Includes early retirement benefit payments and fly in fly out, living away from home and home purchase/sale allowances to eligible employees

OTHER HIGHLY PAID STAFF REMUNERATION

The following table outlines the *average* remuneration earned and accrued by other highly paid staff in 2020-21.

TABLE 7: OTHER HIGHLY PAID STAFF REMUNERATION

Total Remuneration Bands	Number of OHPS ³	Short-term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average Base salary \$	Average Bonuses \$	Average Other benefits / allowances ⁴ \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits \$	Average Total Remuneration \$
\$230,001 - \$255,000	421	203,241	-	1,516	27,059	5,729	-	4,889	242,435
\$255,001 - \$280,000	135	218,289	-	1,605	29,295	6,240	-	9,643	265,073
\$280,001 - \$305,000	38	208,838	-	8,024	30,276	7,394	-	34,817	289,349
\$305,001 - \$330,000	23	175,205	-	35,625	25,195	5,110	-	76,411	317,546
\$330,001 - \$355,000	11	162,087	-	47,435	24,795	6,312	-	99,076	339,705
\$355,001 - \$380,000	12	166,164	-	40,166	23,594	9,379	-	130,493	369,796
\$380,001 - \$405,000	9	157,417	-	36,154	21,602	4,553	-	173,552	393,277
\$405,001 - \$430,000	4	165,388	-	25,513	22,941	17,486	-	188,506	419,834
\$430,001 - \$455,000	2	192,230	-	-	15,966	4,105	-	235,619	447,920
\$455,001 - \$480,000	1	149,604	-	-	22,398	4,279	-	284,426	460,707
\$555,001 - \$580,000	1	359,133	-	181,922	20,956	5,578	-	-	567,589
\$630,001 - \$655,000	1	405,800	-	199,326	26,204	5,578	-	-	636,909
\$705,001 - \$730,000	1	439,634	-	240,737	25,229	5,578	-	-	711,179
\$730,001 - \$755,000	1	454,156	-	213,885	74,566	5,578	-	-	748,185
	660								

³ Includes 566 staff employed under the Air Traffic Control and Supporting Air Traffic Services Enterprise Agreement, 17 staff employed under the Air Traffic Control Line Manager Enterprise Agreement and 5 staff employed under the Aviation Rescue Fire Fighting Enterprise Agreement.

⁴ Includes early retirement benefit payments and fly in fly out, living away from home and home purchase/sale allowances to eligible employees.