

Appendix B:

Airservices Remuneration Report 2021–22

2021-22 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 who were remunerated over \$235,000.

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

Board Members and Executive

Board Members

We are governed by a Board that consists of a Chair, Deputy Chair, six 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
John Weber	Chair	Full Year
Mark Binskin	Deputy Chair	Part Year – Finished 31 July 2021
Greg Hood	Deputy Chair	Part Year – Appointed 8 September 2021
Anne Brown	Board Member	Full Year
Sue-Ellen Bussell	Board Member	Full Year
Eileen Doyle	Board Member	Full Year
Marlene Kanga	Board Member	Full Year
David Marchant	Board Member	Full Year
Lawrence Turner	Board Member	Full Year
Jason Harfield	Chief Executive Officer	Full Year

Table 2: Executives

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

Name	Position	Term
Michelle Bennetts	Chief Service Delivery Officer	Full Year
Peter Curran	Chief Customer Experience and Strategy Officer	Full Year
Nicole Devlin	Chief Communications Officer	Full Year
Lucinda Gemmell	Chief People and Culture Officer	Full Year
Mark Hind	Chief Technology Enablement Officer	Full Year
Paul Logan	Chief Financial Officer	Full Year
Claire Marrison	Chief Safety and Risk Officer	Full Year
Christian Patten	Chief Strategy Execution Officer ¹	Part Year – Appointed 13 June 2022

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

Remuneration Strategy and Settings

Short Term Incentive Removal

In August 2021, the Australian Public Service Commission (APSC) released new guidance for all Commonwealth entities and companies on the principles governing the use of performance bonuses. Based on this guidance, our performance bonus (STI) plan was removed in its entirety from our remuneration in September 2021 for all eligible employees.

Our STI plan allowed the potential for a maximum of 10% of Total Fixed Remuneration (TFR) payment for the Executive members and for a maximum of 20% of TFR for the CEO. The awarding of STI payments was at the sole discretion of the Board, paid at a standard rate and assessed annually against achievement of the Corporate Performance Scorecard.

The APSC guidance recommended that Commonwealth entities that remove or reduce bonuses, consider buy-outs, partial rolling into salary, allowing existing arrangement to expire, or a combination of transitional strategies.

In determining our STI removal approach, we considered the options of a buy-out and a partial roll in. However, a buyout had a much higher upfront cost, was more complex to negotiate / administer, and in an environment where our STI was a relatively low percentage of remuneration, with a relatively low historical payout, a buyout was determined not to be a cost-effective option.

A transitional arrangement was also determined not to be necessary given our small STI target level relative to other Government owned entities. This level meant it was feasible for us to implement our transition away from performance bonuses wholly within this year, allowing us to be compliant with the Guidance immediately.

In deciding the percentage of TFR increase to allow for partial rolling into salary of our STI plan, we considered the history of performance bonus percentage payouts, which was an average of 56% (5.6% of TFR) over the past three payments. A one-off increase of 6% (60% of target) was provided, which we determined was appropriate given the theoretical maximum lost.

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.

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 using a combination of the 50th percentile of the Mercer National General Market (MNGM) and individual executive position benchmarking. 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. Other factors considered include the Remuneration Tribunal data and guidance.

Following the removal of a 20% (CEO) and 10% (other Executive) STI target made by a partial roll in to Total Fixed Remuneration with a one-off increase of 6%, our Executive Remuneration is made up of Total Fixed Remuneration only.

Total Fixed Remuneration

The Total Fixed Remuneration 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.

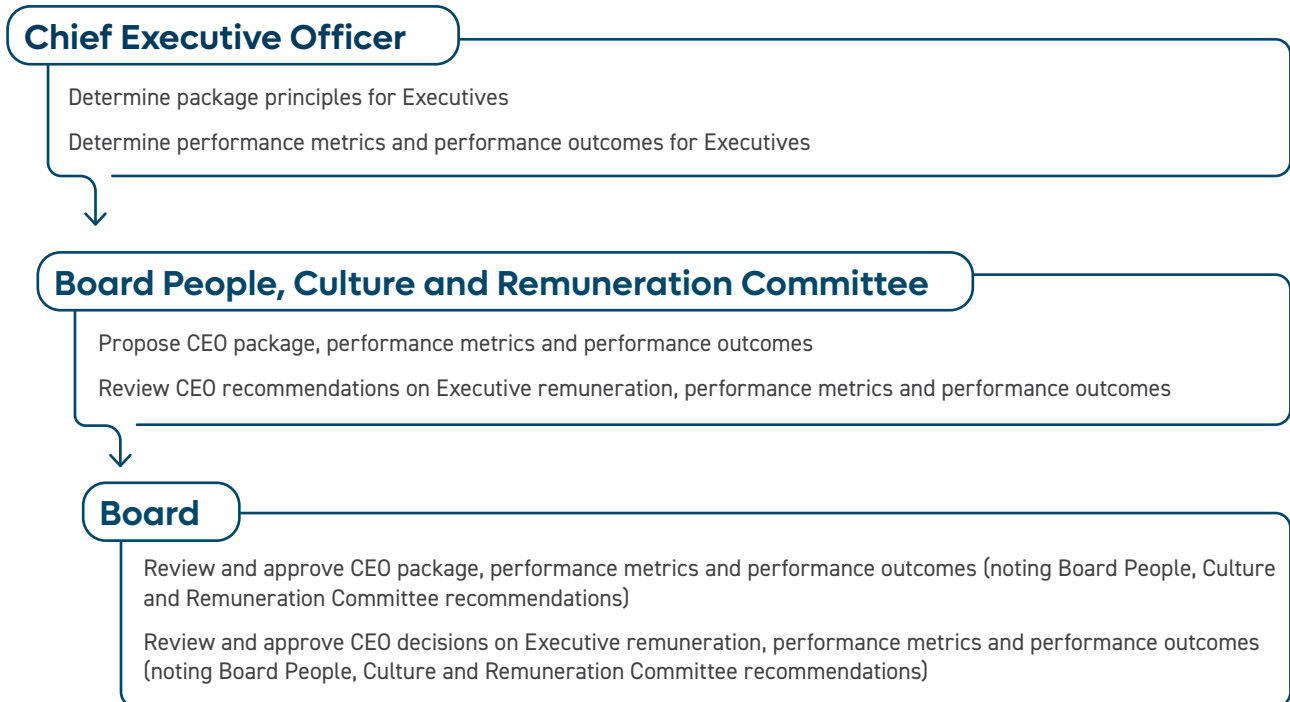
Remuneration Governance

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 Chair and CEO are ex-officio members of the Committee.

In 2021-22, the Committee Chair was Sue Bussell. The non-executive Board members were Anne Brown, Greg Hood (commenced 8 September 2021), and John Weber.

Remuneration Governance Framework



Annual Fees and Allowances for Board Members

Annual fees and allowances for our part-time Chair, 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 2021-22.

Corporate Performance Outcomes 2021-22

The scorecard comprised key corporate performance indicators and initiatives under the pillars of our Customer, People and Owner milestones.

Table 3: Corporate Performance Scorecard

Corporate Metrics				
Pillar	Key Performance Indicators	2021-22 Target	2021-22 Actual	Assessment
Customer	Significant Attributable Safety Occurrences – ATM and ARFF	0	0	Met
	On-Time Performance	≥ 80%	76%	Not Met
	Customer Satisfaction Score	≥ 71%	81%	Met
People	Total Recordable Injury Frequency Rate	≤ 4.5	8.5	Not Met
	Employee Engagement	≥ 60%	68%	Met
Owner	Cost per Instrument Flight Rules Flight Hour (\$/hr)	≤ 525	534	Not Met
	Return on Assets	≤ (20.4%)	(26.3%)	Not Met
	Total Environmental Footprint	Set baseline	241,510 tCO2e	N/A
Corporate Initiatives				
Pillar	Initiative / Outcomes	Assessment		
Customer	Service performance outcomes matched to the needs of our customers	Met		
	New digital capabilities to drive efficiency	Met		
	OneSKY Program	Substantially Met		
	Enterprise Network Modernisation Program (ENMP)	Met		
People	Realigned operating model efficiency improvements	Substantially Met		
	Aligned values, leadership and behaviours	Met		
	Aligned strategic workforce and talent	Met		
Owner	Short-term cost savings / Supplier engagement / Liquidity management / gearing strategy	Met		
	Environmental Sustainability	Substantially Met		
	Community Engagement	Substantially Met		

Board Member Remuneration

The following table outlines the remuneration earned and accrued by Board Members throughout 2021-22.

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 \$	
John Weber	Chair	166,214	-	5,271	16,899	-	-	-	188,384
Greg Hood	Deputy Chair	100,823	-	321	10,546	-	-	-	111,690
Mark Binskin	Deputy Chair	10,929	-	-	1,038	-	-	-	11,967
Anne Brown	Board member	83,112	-	3,034	8,450	-	-	-	94,596
Sue-Ellen Bussell	Board member	83,112	-	1,098	8,450	-	-	-	92,660
Eileen Doyle	Board member	83,112	-	2,299	8,450	-	-	-	93,861
Marlene Kanga	Board member	83,112	-	1,997	8,450	-	-	-	93,559
David Marchant	Board member	83,112	-	1,398	8,450	-	-	-	92,960
Lawrence Turner	Board member	83,112	-	3,034	8,450	-	-	-	94,596
TOTAL		776,638	-	18,452	79,183	-	-	-	874,273

¹ Includes Board Committee membership and travel allowances.

Executive Remuneration

The following table outlines the remuneration earned and accrued by the Executive in 2021-22.

Table 5: Executive Remuneration

Name	Position Title	Short-term benefits			Post-employment benefits	Other long term benefits			Total Remuneration \$
		Base salary ¹ \$	Bonuses ² \$	Other benefits / allowances ³ \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	
Jason Harfield	Chief Executive Officer	817,175	-	8,000	82,276 ⁴	22,457	-	-	929,908
Michelle Bennetts	Chief Service Delivery Officer	474,875	-	8,000	22,782	12,605	-	-	518,263
Peter Curran	Chief Customer Experience and Strategy Officer	493,672	-	8,000	22,683	9,705	-	-	534,060
Nicole Devlin	Chief Communications Officer	402,321	-	-	22,874	7,077	-	-	432,272
Lucinda Gemmell	Chief People and Culture Officer	485,708	-	-	23,180	9,288	-	-	518,175
Mark Hind	Chief Technology Enablement Officer	384,955	-	8,000	23,180	8,871	-	-	425,005
Paul Logan	Chief Financial Officer	437,497	-	6,681	42,600 ⁴	11,122	-	-	497,900
Claire Marrison	Chief Safety and Risk Officer	309,825	-	-	31,959 ⁴	8,723	-	-	350,507
Christian Patten	Chief Strategy Execution Officer ⁵	16,703	-	-	809	-	-	-	17,512
TOTAL		3,822,733	-	38,681	272,343	89,847	-	-	4,223,604

1 Base Salary includes annual leave paid and reflects the adjustment for change in accrued annual leave in accordance with RMG 138 Commonwealth entities' executive remuneration reporting guide for annual reports. Increases to Base Salary for 2021-22 are directly related to the roll in of the performance bonus plan.

2 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

3 Includes motor vehicle allowances.

4 Member of AvSuper defined benefit superannuation scheme.

5 The Chief Strategy Execution Officer was a newly created position during the year with commencement in June 2022.

Leadership Roles (Other Than Executive) Remuneration

The following table outlines the average remuneration earned and accrued by non-Executive leaders in 2021-22.

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 ² \$	Average Bonuses ³ \$	Average Other benefits / allowances ⁴ \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits \$	Average Total Remuneration \$
\$0 - \$220,000	61	148,221	-	37	16,242	3,815	-	3,534	171,849
\$220,001 - \$245,000	38	201,717	-	-	22,737	5,915	-	-	230,370
\$245,001 - \$270,000	29	216,956	-	-	21,209	5,419	-	14,781	258,365
\$270,001 - \$295,000	17	254,946	-	-	23,323	5,061	-	-	283,330
\$295,001 - \$320,000	6	253,899	-	1,401	28,969	17,979	-	-	302,247
\$320,001 - \$345,000	4	299,458	-	-	30,444	5,434	-	-	335,336
\$345,001 - \$370,000	1	320,652	-	8,137	26,750	6,587	-	-	362,126
\$370,001 - \$395,000	1	144,986	-	-	18,129	3,293	-	215,597	382,005
\$395,001 - \$420,000	1	371,187	-	-	23,568	5,270	-	-	400,025
	158	2,212,022	-	9,575	211,371	58,773	-	233,912	2,725,653

1 Individuals who form part of the Senior Leadership Team, including new hires and leavers during the year.

2 Base Salary includes annual leave paid and reflects the adjustment for change in accrued annual leave. Increases to Base Salary for 2021-22 are directly related to the roll in of the performance bonus plan.

3 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

4 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 2021-22.

Table 7: Other Highly Paid Staff Remuneration

Total Remuneration Bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average Base salary ¹ \$	Average Bonuses ² \$	Average Other benefits / allowances ³ \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits ⁴ \$	Average Total Remuneration \$
\$235,001 - \$245,000	93	198,802	-	1,534	28,112	5,951	-	5,649	240,048
\$245,001 - \$270,000	311	214,836	-	93	30,200	6,030	-	6,337	257,497
\$270,001 - \$295,000	224	233,702	-	1,557	32,093	6,064	-	7,475	280,893
\$295,001 - \$320,000	82	237,202	-	4,422	30,466	5,677	-	28,477	306,245
\$320,001 - \$345,000	35	197,937	-	5,140	23,439	6,185	-	96,960	329,661
\$345,001 - \$370,000	37	121,579	-	14,032	14,265	5,559	-	203,305	358,740
\$370,001 - \$395,000	32	89,839	-	6,353	13,404	4,817	-	267,367	381,780
\$395,001 - \$420,000	9	105,366	-	15,116	15,758	2,727	-	264,243	403,209
\$420,001 - \$445,000	9	95,783	-	23,407	11,041	2,594	-	299,098	431,922
\$445,001 - \$470,000	6	134,382	-	-	11,603	4,406	-	308,106	458,497
\$470,001 - \$495,000	9	166,370	-	-	24,090	4,291	-	290,201	484,952
\$495,001 - \$520,000	6	160,661	-	-	20,558	4,663	-	321,180	507,061
\$520,001 - \$545,000	4	188,431	-	-	19,336	5,330	-	319,464	532,561
\$545,001 - \$570,000	6	215,547	-	150	13,006	5,720	-	322,639	557,061
\$570,001 - \$595,000	9	222,247	-	49	25,138	5,836	-	330,728	583,998
\$595,001 - \$620,000	8	251,170	-	-	25,774	5,677	-	331,985	614,606
\$620,001 - \$645,000	-	-	-	-	-	-	-	-	-
\$645,001 - \$670,000	1	212,861	-	71,501	54,048	6,240	-	313,320	657,971
\$670,001 - \$695,000	3	283,187	-	-	31,910	4,965	-	358,813	678,875
\$695,001 - \$720,000	2	268,587	-	64,175	30,558	6,240	-	338,248	707,809
\$720,001 - \$745,000	-	-	-	-	-	-	-	-	-
\$745,001 - \$770,000	1	345,325	-	-	33,907	6,240	-	370,971	756,443
\$770,001 - \$795,000	-	-	-	-	-	-	-	-	-
\$795,001 - \$820,000	1	388,428	-	-	48,330	6,240	-	370,971	813,969
	888	4,332,242	-	207,529	537,036	111,452	-	5,155,537	10,343,798

1 Includes 809 staff employed under the Air Traffic Control and Supporting Air Traffic Services Enterprise Agreement, 13 staff employed under the Air Traffic Control Line Manager Enterprise Agreement and 3 staff employed under the Aviation Rescue Fire Fighting Enterprise Agreement.

2 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

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

4 During 2021-22 a Retirement Incentive Scheme (RIS) was open to operational enterprise agreement staff aged over 56 on 30 June 2021 and who left during the year. The AT0 made a class ruling [CR2021/43] allowing for concessional tax treatment of RIS incentive payments. 240 staff left under the RIS which directly attributes to the higher number of large termination payments and number of other highly paid staff.