



ACT
Government

Suburban Land
Agency

Ms Sandra Lambert
Chair ACT Remuneration Tribunal
PO Box 964
Civic Square ACT 2908

Dear Sandra

I refer to your letter dated 12 September 2022 titled "ACT Remuneration Tribunal 2022 Spring Sitting advising that the ACT Remuneration Tribunal (Tribunal) will be undertaking its annual review into the remuneration, allowances and other entitlements to be granted to various roles referred to the Tribunal for consideration which includes the Board members of the Suburban Land Agency (SLA).

I wish to recommend the Tribunal consider awarding the Board members (including Chair and Deputy Chair) of the SLA an increase in remuneration consistent with that awarded to ACT Government Directors-General and Executive. My submission to the 2022 Autumn review is attached.

I welcome any opportunity to appear before the Tribunal, speak to my submission and respond to any questions the Tribunal may have.

Kind Regards

John Fitzgerald
Chair, Suburban Land Agency

6 October 2022

We acknowledge the Ngunnawal people, the Traditional Custodians of the lands and waters where we live and work, and pay our respects to the elders past, present and future.

Submission to the ACT Remuneration Tribunal 2022 Spring Review

I wish to recommend the Tribunal consider awarding the Board members (including Chair and Deputy Chair) of the SLA an increase in remuneration consistent with that awarded to ACT Government Directors-General and Executives.

The remuneration for the SLA Board was set by the Tribunal at the SLA's establishment in 2017.

- *Determination 14 of 2017, Part-time Public Office Holder - Suburban Land Agency, 30 May 2017*

Since that time Board members' salaries have increased by approximately 9.9%. Over the same period, ACT Public Service Directors General and Executives base salary increases (not including motor vehicle allowance, fringe tax benefit, other allowances and/or superannuation) have been awarded an average of 14% (ranging between 8% and 19%). This range has not taken into consideration:

- any increase to motor vehicle allowance, fringe tax benefit, other allowances and/or superannuation
 - increase to superannuation resulting from inclusion of the Executive motor vehicle allowance and fringe benefit tax payment into total Executive remuneration.
- *Determination 13 of 2021, Part-time Public Office Holders, December 2021*
 - *Determination 2 of 2022, ACTPS Executives, July 2022*

Role, Work and Impact of the Agency

The Agency was established in 2017 in accordance with the *City Renewal Authority and Suburban Land Agency Act 2017* (Act). The purpose of the Agency is to:

- encourage and promote:
 - inclusive communities through the delivery of people-focussed neighbourhoods;
 - and suburban development that supports the following:
 - affordable living;
 - a safe and healthy population;
 - social inclusion;
 - housing choice;
 - environmental sustainability;
 - urban renewal, other than in an urban renewal precinct;
 - growth and diversification of the Territory's economy;
 - social and environmental sustainability; and
- operate effectively, in a way that delivers value for money, in accordance with sound risk management practices.

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Practically, the Agency achieves this through:

- buying and selling leases of land on behalf of the Territory;
- ensuring a mixture of public and private housing in new suburbs;
- increasing the supply of affordable and community housing;
- meeting housing targets determined under section 65 of the Act, (Affordable, community and public housing targets);
- carrying out the development of land in a manner that is environmentally sustainable;
- exercising its functions in a way that supports statutory greenhouse gas emissions targets and delivers environmentally sustainable development;
- following and supporting whole-of-government strategies; and
- undertaking any other function given to the Agency under the Act or another territory law.

Role of the Governing Board and its Committees

Since its establishment, the Agency's Governing Board has been exceptionally diligent in its first years of operations and plays an integral role in ensuring the appropriate governance framework of the organisation is in place to facilitate the Agency to achieve its purpose. You will be aware of the situation that led to the creation of the Suburban Land agency and the Territory's desire to have a step change in governance. The Territory had an extensive recruitment process and recruited senior non-executive directors with deep skills and experience directly relevant to the Suburban Land Agency.

The Agency's Board is responsible for:

- overseeing the operations of, and exercise of functions by, the Agency;
- setting the Agency's policies and strategies;
- governing the Agency consistently with the Act and other relevant legislation;
- ensuring, as far as practicable, that the Agency operates in a proper, effective and efficient way; and
- ensuring, as far as practicable, that the Agency complies with applicable governmental policies.

Board and Committee members are required to provide the appropriate time commitment to fulfil their duties as Board members as set out below:

- to act in good faith;
- not to pursue personal interests at the expense of the Agency's interests;
- not to use board membership to gain personal advantage; and
- not to cause detriment.

In practice, this involves the review and consideration of material and strategic matters for decision including but not limited to setting the Agency's strategic objectives, Statement of Intent, financial statements, project development and business cases, joint venture operations

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oversight, and understanding the various pieces of legislation that apply to the Agency etc. This involves additional time commitments outside of scheduled Board and Committee meetings.

Annually, the Board undertakes a thorough review of the Agency's strategic objectives to inform its Statement of Intent outlining the proposed nature and scope of our activities for the next three financial years. Achievement of progress against the objectives set out within the Agency's Statement of Intent are monitored throughout the year and then outlined in our annual report.

The Board is responsible for approving the submission of the Statement of Intent to Treasury each year. A copy of the Statement of Intent and Annual Report is available on the Agency's website at <https://suburbanland.act.gov.au/en>.

Role of the Chair and Deputy

The Chair of the Board carries additional responsibilities which includes, but is not limited to the following:

- managing the affairs of the Governing Board;
- ensuring that as far as practicable that there is a good working relationship between the Government Board and the Agency's management; and
- ensuring that the responsible Minister is kept informed about the operations of the Agency.

This involves meeting with the Chief Executive Officer, the responsible Minister and other key stakeholders on a regular basis.

The Deputy Chair role also carries additional responsibilities and is required to carry out the role of the Chair in my absence as necessary

Board and Committee Meetings

As set out within section 93(2) of the FMA, the Board is required to meet at a minimum of four times each calendar year, being at least once every three (3) months. The Board is currently comprised of six (6) members. During the 2021-22 financial year, the Board met 14 times. This included a formal meeting each month generally consisting of 4-7 hours in duration and shorter meetings as required from time-to-time for a duration of approximately 1 hour. We consider many papers and matters out of session, often requiring substantial preparation and review.

Additionally, as set out within the Committee Charters, the Board Committees are required to meet at least four (4) times each year and comprise of 4 members each. Duration of Committee meetings is generally 3-4 hours. During the 2021-22 financial year, the Audit & Risk Committee and Significant Programs and Culture Committee met 7 and 5 times respectively. Each member of the Board is also a member of one Board Committee.

Given the Territory's decisions as to the most appropriate composition of the board, all of our members also have travel obligations to fulfil their obligations.

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Conclusion

Given the discrepancy of increases between Board members' salaries and increases have been awarded to the ACT Public Service Directors General and Executives I recommend the Tribunal consider a commensurate increase in the salaries awarded to Part-time Office Holders to rectify this.

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480 Northbourne Avenue, Dickson ACT 2602
GPO Box 158, Canberra ACT 2601

P 02 6205 0600 **F** 02 6207 5101
E suburbanland@act.gov.au

W suburbanland.act.gov.au
ABN 27 105 505 367