

Dr Colin Adrian
Chair ACT Remuneration Tribunal
PO Box 964
Civic Square ACT 2608

Dear Dr Adrian,

Re: City Renewal Authority Board Member Fees

I refer to your letter dated 20 August 2018 titled “ACT Remuneration Tribunal 2018 Spring Review” advising that the ACT Remuneration Tribunal (**Tribunal**) will be commencing its annual review into the remuneration, allowances and other entitlements to be paid to various roles referred to the Tribunal for consideration which includes those of the Board members of the City Renewal Authority (**Authority**).

I apologise for our late submission.

We wish to recommend that the Tribunal consider the payment of Committee fees to Board members who are also members of the Board established committees as described below.

Role of the Authority

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

- the encouragement and promotion of a vibrant city through the delivery of design-led, people-focussed urban renewal;
- the encouragement and promotion of social and environmental sustainability; and
- operational effectiveness, delivering value for money using sound risk practices.

The Authority achieves this through:

- carrying out urban renewal;
- buying and selling leases of land on behalf of the Territory;
- making arrangements for the public service or another entity to carry out development or works;



- supporting public and private sector investment and participation in urban renewal;
- managing orderly urban renewal, including holding, managing and selling land and other property;
- supporting cooperation between the Authority, the community, and relevant entities;
- supporting high quality design, planning and delivery of sustainable urban renewal;
- meeting housing targets determined under Section 65 of the Act that relate to affordable, community and public housing;
- supporting statutory greenhouse gas emissions targets and delivering environmentally sustainable development;
- following and supporting whole-of-government strategies; and
- any other function given to the Authority under the Act or another Territory law.

Role of the Governing Board and its Committees

Since its establishment, the Authorities Governing Board has been exceptionally diligent in its first year of operations and plays an integral role in ensuring the appropriate governance framework of the organisation is in place to facilitate the Authority to achieve its purpose. You will be aware of the situation that led to the creation of the City Renewal Authority 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 extensive skills and experience directly relevant to the City Renewal Authority.

The Authority's Board is responsible for:

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

To assist the Board to carry out its function appropriately, the following Board Committees have been established:

1. Audit & Risk Committee

The establishment of this committee is a requirement under the Financial Management Act 1996 (**FMA**) and the Act. The committee assists the Agency Board to discharge its responsibility to exercise due care, diligence and skill in relation to risk management, reporting of financial information, the adequacy of the financial controls and legal and regulatory compliance frameworks, and external and internal audit. Whilst the committee has no executive powers or approval authority, unless delegated by the Board, it achieves its function through the provision of recommendations to the Board.

2. Design, Planning and Public Realm Committee

The objective of the Committee is to provide guidance and advice to the Board and management on those matters relating to the Authority's interest in and management of its design, planning and public realm functions within the City Renewal Precinct (the Precinct). This includes:

- Achieving leadership in the practice of integrated urban renewal, which addresses all aspects of liveability including economics, health and well-being, social equity, amenity, aesthetics and infrastructure provision.
- Operating as a design champion for the City Renewal Authority by:
 - o internally by guiding and supporting the achievement of design and urban renewal best practice excellence in its policies and programs
 - o externally by assisting in strategic and public advocacy for design excellence and contemporary urban renewal practice across the Precinct.
- Guide, review and endorse the strategic planning and design direction of City Renewal Authority programs and projects, when required.
- Participate in the design review of major projects that fall within the Precinct through the proposed Capital Design Review Panel.

3. Communication and Engagement Committee

The objective of the Committee is to advise the Board so as to support meaningful and effective community engagement activities that enable

the Canberra community to directly contribute to the renewal of the City Precinct. The Committee will seek to embed community engagement early in project planning, support the development of leading engagement practices, including co-design methods and support research into best practice engagement.

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 seven (7) members.

During the 2017-18 financial year, the Board met eight times. This included five full-day meetings, two half-day meetings and one one-hour teleconference meeting. The Board also held full-day planning meetings in November 2017 and May 2018.

As this was a new Territory Authority and as we were dealing with both establishing appropriate new business practices and processes as well as providing strategic oversight to a number of significant legacy projects, whilst simultaneously establishing and progressing new initiatives, the efforts that the Board has put into the Authority has been and remains well beyond joining the Board of an established and best practise organisation.

Additionally, as set out within the Committee Charters, each of the three Committees is to meet a minimum of three times per year. In the 2017-18 Financial Year:

- The Board Audit & Risk Committee met for four half-day meetings (two Board members are on this Committee);
- The Communications and Engagement Committee met for two meetings each of two hours (three Board members are on this Committee); and
- The Design, Planning and Public Realm Committee met for one full-day meeting, one half-day meeting, and one two-hour meeting (four Board members are on this Committee).

Board members also attended various meetings with the Authority CEO and staff, Ministers and Government officials.

Membership of the Board and its Committees are set out below (only Board members on each Committee are shown, not independent (external) members:

	Membership
Board	Dr Michael Easson AM (Chair) Ms Christine Covington (Deputy Chair) Ms Kate Brennan Mr Nigel Chamier AM Professor Ken Maher AO Ms Gabrielle Trainor AO Ms Chris Faulks
Audit & Risk Committee	Ms Christine Covington (Committee Chair) Mr Nigel Chamier AM
Design, Planning and Public Realm Committee	Professor Ken Maher AO (Committee Chair) Ms Kate Brennan Ms Chris Faulks Ms Gabrielle Trainor AO
Communication and Engagement Committee	Ms Gabrielle Trainor AO (Committee Chair) Ms Kate Brennan Ms Chris Faulks

Given the Territory's decisions as to the most appropriate composition of the Board, all but one Board member reside outside of the ACT (in either Sydney, Melbourne or Brisbane) and, therefore, also have the requirement for travel (often requiring an overnight stay in Canberra) to fulfil their obligations.

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 Authority'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

Authority's strategic objectives, Statement of Intent, financial statements, project development and business cases, joint venture operations oversight, and understanding the various pieces of legislation that apply to the Authority etc. This involves additional time commitments outside of scheduled Board and Committee meetings.

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 Authority's management; and
- ensuring that the responsible Minister is kept informed about the operations of the Authority.

In practice, this involves meeting with the Chief Executive Officer and the responsible Minister 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.

Remuneration Recommendation

The Authority's Board members have been engaged as Board members for approximately 12 months since the establishment of the Authority. Board member fees had been set at a time when the level of commitment (in respect of the established Board Committees) may not have been fully comprehended.

For the reasons outlined above, we request that the Tribunal review and consider the payment of an additional committee member fee payable to Board members to compensate them for their committee related work.

I would be pleased to have a discussion with you and the Tribunal as to the most appropriate arrangements going forward.

Kind Regards,



Dr Michael Easson AM
Chair