



Airservices Australia

Board Remuneration and Human Resources Committee Charter

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For Official Use Only

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Change summary

Version	Date	Change description
1	2 July 2019	Initial Document Centre published version of Charter, replacing all previous unpublished versions.

Table of contents

1	Objectives	3
2	Membership	3
3	Responsibilities.....	3
4	Meeting Arrangements	4
5	Powers and authority	5
6	Reporting	5
7	Evaluating performance.....	6
8	Review of Charter	6
	Attachment 1: Executive Recruitment and Remuneration	7

1 Objectives

The objectives of the Board Remuneration and Human Resources Committee (**Committee**) are to assist the Airservices Board (**Board**) to fulfil its responsibilities by:

- reviewing the performance, remuneration and succession plans for the Chief Executive Officer (CEO) and the Executive General Managers (Executive); and
- considering general human resources issues.

2 Membership

The Committee will consist of:

- a Chair, who will be a non-executive Board Member, appointed by the Board;
- at least three non-executive Board Members, appointed by the Board;
- ex officio, the Board Chairperson; and
- ex officio, the Chief Executive Officer.

Appointments to the membership of the Committee will be reviewed by the Board on a biennial basis.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of Airservices. At least two members of the Committee should have a high level of relevant expertise in executive remuneration and performance management. At least two members of the Committee should have a high level of relevant human resource management/workplace relations expertise.

The Board will have regard to the Airservices objectives on equity and diversity, and the need for both continuity and regular renewal, in making appointments to the Committee.

Committee members are required to:

- understand and observe legislative requirements under the *Air Services Act 1995*, the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rule 2014*;
- act in Airservices' best interests;
- possess appropriate qualifications, knowledge, skills and experience;
- apply appropriate analytical skills, objectivity and judgement; and
- express opinions constructively and openly, raising issues that relate to the Committee's responsibilities and pursuing independent lines of enquiry.

3 Responsibilities

To assist the Board, the Committee will:

CEO Conditions of Employment

- Undertake an annual review of the CEO's remuneration package and make recommendations to the Board, where appropriate;
- Review and recommend to the Board the terms of the annual CEO's performance agreement, including key performance indicators (KPIs) linked to Airservices Corporate Plan; and

- Undertake an annual review of the CEO's performance against the CEO's performance agreement and make recommendations to the Board with respect to the proportion of the short term incentive (STI) component of the CEO's remuneration package to be paid to the CEO. The CEO does not participate in the decision making process associated with this annual review.

Senior Executive Recruitment and Conditions of Employment

In compliance with the principles agreed by the Board for the recruitment, remuneration and performance assessment of the Executive, including the protocols set out in **Attachment 1** to this Charter:

- Review the recruitment approach for Executive General Manager positions;
- Review the principles applied by the CEO in determining the remuneration packages for the Executive;
- Review the principles applied by the CEO in undertaking an annual review of the performance of the Executive;
- Before STI payments are communicated or paid to the Executive, review and make a recommendation to the Board on the approval of the CEO's determination of the proportion of the STI component of each Executive's remuneration package to be paid to that Executive;
- Before the annual performance agreements for the Executive are entered into, review and make a recommendation to the Board on the approval of the principles applied by the CEO in determining the terms of the performance agreements, including KPIs linked to Airservices Corporate Plan in the form of cascading accountabilities from the CEO's annual performance agreement; and
- Review and make a recommendation to the Board on written succession plans for the CEO and the Executive.

The Committee will undertake periodic reviews of the remuneration model for the CEO and the Executive, at intervals to be determined by the Committee.

The Committee will undertake a periodic reviews of Airservices progress in achieving its diversity and inclusion targets (or similar) in respect of executive management and the Airservices workforce generally, and make recommendations for further improvements to the Board, where appropriate.

General Human Resource Issues

- Review major staff issues raised by the CEO which may be required to be brought to the attention of the Board;
- Review the planning, progress and effectiveness of strategies in respect of people, workforce planning (including attraction, retention and development of key staff), culture and leadership development and diversity and inclusion; and
- Review and recommend to the Board for approval, strategies and general principles for the negotiation of enterprise agreements.

4 Meeting Arrangements

The Committee will meet (except where the Board determines otherwise) not less than four times each year.

A special meeting of the Committee may be convened by a member of the Committee at any time by written request to the Board Secretariat, stating the reason for calling the special meeting. Special meetings will be held within twenty-one days of receipt of such a request, with not less than seven days' notice being provided to all Committee members (except where all Committee members consent to a shorter notice period).

The agenda for Committee meetings will be determined by the Committee Chair.

Meetings can be held in person, by telephone or by videoconference.

The quorum for any meeting of the Committee is 50 per cent of current members of the Committee.

The following Airservices officers have standing invitations to attend meetings of the Committee, but may be asked to leave at any time:

- People & Leadership Strategy Manager, and
- Board Secretary and Deputy Board Secretary.

Other attendees may be invited as required or at the discretion of the Committee or Committee Chair.

The Board Secretariat will provide secretariat support to the Committee, and will ensure:

- the agenda and papers for each meeting are circulated, after approval by the Committee Chair and at least 7 days before the meeting. Copies of the agenda and meeting papers will be provided to all members of the Board via the Board Portal; and
- the minutes of the meetings are prepared. Draft minutes will be reviewed by the Committee Chair and circulated to Committee members for consideration following each meeting.

5 Powers and authority

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board. As at the date of approval of this Charter, the Board has not delegated any decision-making powers to the Committee.

The Board has authorised the Committee to do the following things for the purposes of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees; and
- obtain external, independent advice as considered necessary, at the cost of Airservices.

Any request by the Committee for external advice will be noted in the minutes of the Committee meeting.

6 Reporting

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, will report at Board meetings about the Committee's activities and prepare draft resolutions for the Board's consideration.

7 Evaluating performance

The Committee will assess its performance against this Charter on an annual basis and seek appropriate input from the Board and other relevant stakeholders as determined by the Board. The Committee will report to the Board on its assessment.

8 Review of Charter

The Board will review this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

Attachment 1: Executive Recruitment and Remuneration

Executive Recruitment

Prior to commencement of a recruitment process for an Executive General Manager position, the Chief Executive Officer (**CEO**) will provide the Board Remuneration and Human Resources Committee (**Committee**) with the following information, to provide the Committee with an opportunity to provide feedback prior to commencement of the process:

- Position / role description;
- Recruitment strategy, including details of the external recruitment firm to be engaged and search methodology (domestic and /or international);
- Remuneration parameters, including information on how the remuneration parameters were determined, such as advice from Mercer Consulting and any relevant industry benchmarking data;
- Assessment / short-listing process, including details of the selection panel; and
- Timeline of the recruitment process.

This information should be provided by the CEO in advance of the commencement of any recruitment activity, to allow the Committee adequate time for proper consideration. The information may be provided to the Committee out-of-session if time is an issue.

Prior to an offer being made to the preferred candidate, the CEO will provide the Board Chairperson, the Chair of the Committee, and the Chair of any other relevant Board Committee with:

- Details of the preferred candidate, including their curriculum vitae; and
- Details of the proposed remuneration package, including base salary, superannuation, attainable performance incentive payments (if any) and relocation and / or living allowances (if any).

CEO and Executive Remuneration

The responsibilities of the Committee in relation to CEO and Executive remuneration as articulated in its Charter under the heading “Senior Executive Conditions of Employment” are reaffirmed. The Committee’s annual program for discharging these responsibilities is managed through the annual agenda plan prepared by the Board Secretariat. A rolling update of the plan is presented to each Committee meeting.