

TAHE_TENDER_001



Treasury

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TA21/1001

Brief - Treasurer and Minister Tudehope

Remuneration of the Acting Chief Executive Officer of TAHE

Issue	Approval is being sought for the proposed remuneration of the new Acting Chief Executive Officer (CEO) of the Transport Asset Holding Entity of NSW (TAHE)
Analysis	<p>The Board of TAHE has appointed Mr David Jurd as the Acting CEO. The proposed remuneration to be paid to the acting CEO requires the approval of the Voting Shareholders under the <i>Transport Administration Act 1988 (NSW)</i>.</p> <p>Treasury recommends the Voting Shareholders approve the remuneration proposed by the Board. The proposed rate of Pers. Per day is reasonable considering the size and complexity of TAHE, independent advice from Mercer on market rates, comparative remuneration of CEOs of other State owned corporations, and the short-term nature of the appointment.</p> <p>TAHE will be submitting the proposed remuneration for the permanent CEO shortly, which Treasury anticipate will be consistent with the remuneration of the previous incumbent, Anne Hayes.</p>
Priority	1 – Important, Urgent
Timeframe	<p>Critical date: 7 May 2021</p> <p>Reason for critical date:</p> <p>The Acting CEO has now been appointed by the Board of TAHE. Approval of the remuneration rate for the role is required to finalise arrangements.</p>

Recommendations

That the **Treasurer and Minister Tudehope** as Voting Shareholders of TAHE:

- 1 **Approve** the Board's proposed remuneration for the Acting CEO of Transport Asset Holding Entity.
- 2 **Sign** the letter to TAHE confirming approval of the remuneration (**Attachment B**)

Treasurer The Hon Dominic Perrottet MP	
Comments:	Date:
Minister for Finance and Small Business The Hon Damien Tudehope MLC	



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Comments:	Date:
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Departmental approvals

		Date
Treasury Contact	Vincent Menev, Advisor, Pers Pers Pers	
Final Approver	Philip Gardner, Dep Sec, Pers Pers	03/05/2021
Date submitted to Treasurer's Office and Minister Tudehope's Office		03/05/2021

Summary of appointment

Mr David Jurd has been appointed by the Board of TAHE as Acting CEO

- Ms. Anne Hayes was appointed as Acting CEO in June 2020, prior to the conversion of Railcorp into TAHE as a SOC. A process to appoint a permanent CEO is currently underway.
- Ms. Hayes took planned sick leave from TAHE on 27 April 2021 and will not return, having already been advised that she was not successful in the permanent CEO recruitment process.
- The board of TAHE has the authority to appoint an Acting CEO during the illness or absence of a CEO, under section 8(1) the *Transport Administration Act 1988*.
- Mr Jurd was appointed by the board as Acting CEO and commenced on 26 April 2021. His appointment is for an initial period of four months while work continues in sourcing a suitable candidate for the role of permanent CEO.
- Mr Jurd is the former CEO of Moorebank Intermodal Company Limited, a Commonwealth Government business. He has 35-years experience in the construction industry, including mergers and acquisitions. Most recently, Mr Jurd was a consultant at Abicon Risk Management advising clients and contractors in the Australian construction market. Further details are set out in Mr Jurd's curriculum vitae (**Attachment D**).

The remuneration of the Acting CEO requires Voting Shareholder approval

- The remuneration determined by the Board to be paid to the Acting CEO requires the approval of the Voting Shareholders, pursuant to section 8(3)(b) of the *Transport Administration Act 1988* (NSW). Accordingly, the Board has written to the Voting Shareholders seeking approval of the remuneration for the Acting CEO (**Attachment A**).
- Mercer Consulting (Australia) Pty Ltd (Mercer) conducted an independent work value assessment and remuneration report (Mercer Report) recommending a competitive remuneration range (see **Attachment C**). Having considered the Mercer Report, the Board of TAHE have proposed a remuneration rate of \$Perso per day, excluding GST.

Treasury recommends the Voting Shareholders approved the proposed remuneration

- Treasury advises that the remuneration rate proposed by the Board appears reasonable when compared to the fixed annual remuneration of the CEOs of other NSW State Owned Corporations (SOCs) and government businesses.
- Mr Jurd's remuneration rate will be towards the maximum of end of the remuneration range proposed in the Mercer Report to compensate for the short-term nature of the appointment, as is typical with contractor roles. TAHE has advised that the permanent CEO, once appointed, is



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expected to receive a lower remuneration rate to reflect the permanent nature of their appointment.

- TAHE intends to submit the terms and conditions for the permanent CEO for approval shortly.

List of Attachments

Attachment A	Letter from TAHE to Voting Shareholders
Attachment B	Letter to TAHE confirming remuneration
Attachment C	Mercer Report
Attachment D	David Jurd CV