

Sensitive - Legal: Follow ups from Call with Tim Reardon

From: Alexandra Engel
To: Kylie Bell
Date: Fri, 01 Oct 2021 17:30:48 +1000

CONFIDENTIAL: LEGAL

FYI Only

Alex Engel-Mallon | Chief of Staff
Office of the Chief Executive, Investment NSW
52 Martin Place, Sydney NSW 2000

| investment.nsw.gov.au

From: Amy Brown
Sent: Thursday, 30 September 2021 6:13 PM
To: Chris Carr
Cc: Nghia Nguyen-Le

Alexandra Engel

Subject: RE: Sensitive - Legal: Follow ups from Call with Tim Reardon

Many thanks Chris. Let's see if there are any slight changes to the plan based on tomorrow's conversations with the DPO and/or Minister Ayres. I've chatted to Kate Boyd and got Annette's mobile. I'll give her a quick call tomorrow arvo (post DPO/Ayres meetings), but if she'd like to discuss actual content at this early stage, will set up something more formal to include you.

Amy Brown | Chief Executive Officer
Investment NSW
52 Martin Place, Sydney NSW 2000

| investment.nsw.gov.au



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NSW**

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From: Chris Carr
Sent: Thursday, 30 September 2021 5:13 PM
To: Amy Brown
Cc: Nghia Nguyen-Le

Alexandra Engel

Subject: Sensitive - Legal: Follow ups from Call with Tim Reardon

Contains Legal Advice

Hi Amy

Just following up from the call with Tim Reardon this morning. I've set out below the follow up tasks/summary:

1. **RE legislation** - @Chris Carr to prepare draft briefing to PCO and consult with each respective ministerial office. @Amy Brown to call Annette O'Callaghan (PCO) to give courtesy call that briefing is coming – Amy please let me know if you'd like me to join that or do that myself. Agreed general position for now is to use the Victorian legislation but adopted for the NSW public service.
2. **Re UK** - no immediate action. Seek advice and updated consultations with the Commonwealth once the legislation is confirmed as to how to notify UK Authorities. Deputy Premier to speak with Stephen Cartwright about the grandfathering of terms as per the Cabinet approval.
3. **RE Japan** – Seek updated advice regarding entry and exit processes. Deputy Premier to speak with Michael Newman about the grandfathering of terms as per the Cabinet approval. The need for a Japan entity is unchanged and should still proceed. Noted that there may be budget needed in the event that Michael Newman's visa or other conditions change requiring a return visit to Australia or other steps to facilitate once the legislation is known.
4. **RE USA** – determine scope of reasonable compensation package for any quantifiable and provable losses associated with the US STIC Change / reliance. Agreed to get external legal support @Chris Carr to speak with Kate Boyd on best pathway (note: I've left a message for Kate to call me). We also discussed and there was acknowledgement that in the US, because of the foreign agents regimes, we may need to have some degree of duplication and that the US system may mean that there is a delay in getting a STIC in country if they're to be a statutory officer but for the sake of the program, we should still proceed wherever possible [Amy pls note that there is advice we need from HSF New York on this – our entire set up in the US is still subject to additional advice – Jenny is not across the detail of that. The US market is one where Victoria is operating heavily in the grey zone and we have a pathway to operate more in the white, even with the change to statutory officers. I spoke with them on the US registration point outside this context and they're clearly facing issues there.] We will need DFAT support to achieve an outcome in the US that involves statutory officers.
5. **Re India and Singapore** – follow precedent set by others regarding the use of statutory officers. For Singapore, update Singaporean government to ensure transparency and adjust local filings/notifications accordingly.
6. **Re China** - not discussed. I would expect we simply follow exactly what the Victorians have done. China won't care as long as we operate on their system inside China and pay our taxes.
7. **RE Program overall** – further advice across a range of issues is needed, which will cause delays. The delays are not insurmountable but will require adjustments to KPIs and some budgetary support.

Generally – outside the substance discussed with Tim, we'll need to resource this and my best suggestion is to bring in a secondee from a large firm on a 2 mth secondment with an option to extend by 1 month. We will need to budget for that and it's something to confirm with Lisa and HR teams. If I can get the green light, I will start reaching out as early as tomorrow with a view to someone starting asap. The firms I plan on approaching are KWM, MinterEllison, Clayton Utz at this stage. As mentioned, I would have concerns about involving HSF given their close involvement in the global expansion work. I think a single strong mid-senior level lawyer with a good sense of government and independence can get this done. There's a lot of consults that need to be done and when the legislation starts doing the rounds, coordination will matter to ensure discipline.

I'm confident that this can be delivered and that this is more of a chicane in the journey, not a roadblock for the broader program.

Kind regards

Chris

Chris Carr, General Counsel
Investment NSW
52 Martin Place, Sydney NSW 2000

investment.nsw.gov.au



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Confidential - STIC appointments

From Kylie Bell
To: Amy Brown Lisa Braid
Chris Carr
Kristy Manton
Date: Wed, 06 Oct 2021 20:08:29 +1100

Hi everyone

Chris Carr and I had a chat about last week's cabinet decision re STIC appointments.

We agreed there may be scope, if Minister Ayres had already endorsed our 3 candidates, to move forward with the STIC candidates we had for NY, Mumbai and Singapore. We would still need to get his confirmation that these are the 3 appointments he would like to make based on their experience and the process we have already gone through. We could then employ them under the GSE Act, grandfather them as we have done with London and Tokyo, then work through any legislative requirements we may need to introduce over the next 6 months.

It would mean that the international network did not get held any further up and we could keep going and deliver him some quick wins – which he will be after.

We'd have to work through this as an option, but if Ayres was willing to proceed on this basis we could regroup next week and develop a path to make this work.

We assume the new DP is no longer the decision maker on this – and the responsibility of appointments would pass to the new Minister for Trade instead..... so no reason why the existing candidates could not be pushed down this pathway instead if the Minister liked them. They are well credentialed, with strong cross border commercial experience, and add to his credibility as Mike and Stephen's appointments have.

Let us know if you would like to put together some points for you to test this with him.

Cheers
K

Kylie Bell | Executive Director Trade & International
Investment NSW
Level 35, 52 Martin Place, Sydney NSW 2000

| investment.nsw.gov.au

Executive Assistant | Helen Braithwaite | P:



**Investment
NSW**

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My workdays are: Mon | Tues | Wed | Thurs | Fri

RE: Offer agreed at 2.3 The Colyer - Next steps...

From: Stephen Cartwright
To: Kylie Bell
Cc: Leigh Nguyen
 Chris Carr
Date: Wed, 23 Mar 2022 23:04:34 +1100

OFFICIAL

Hi Kylie

Thank you for this information – it is very helpful.

I think that the key here is that Jennifer is clearly not liable for any tax on the rent and school fees. If she was, then she would have no income left at all. For example, if the \$170k of rent and \$100k of school fees attracted say \$135k of benefits tax, which she then had to pay, she would be left with \$15k per annum of income from her \$150k net salary. Obviously this is not how it works.

I suspect that the AGs for the other states are equally not liable for any benefits tax for their homes and cars etc. Yes there is no doubt that their base salary is less but it is compensated with benefits for which they are not liable for any tax. For example, the WA AG has an apartment rented for 13,500 pounds per month (more than I clear in salary and allowance) so there is just no way he pays for any tax on that. Similarly, the AG for Vic has a 3br apartment in Belgravia provided to him (which would rent for more than 8,000 pounds per month), a car and school fees x 2 at Dulwich College (6,000 pounds per month combined) – again there is no way he covers the tax on any of that.

So, if we were to take my current package and re-design it using the same principles as applied to Jennifer and everyone else above, it could look like this:

Gross Taxable Salary	Employer Superannuation Contribution	Rental and Property	Schooling and Other	Total Benefit after tax
\$504,000 (\$280,00 after UK tax rate applied)	Nil – NSW Govt doesn't pay any for me	\$96,000 (based on 4,550 pounds a month for small 2br apartment)	Nil – I can't afford for my kids to attend a good school here	\$376,000 (very close to Jennifer McKinlay)

So, if NSW Govt pays my modest (compared to everyone else here) rent and I am not liable for tax on it, then we are basically in line with Jennifer and the other AGs.

If it makes everyone feel better, the NSW Govt can pay my \$26k super and then I am squarely in line with Jennifer.

I need this resolved urgently as I will miss the best affordable apartment that has come on to the market since I have been here (which is currently tenanted by a diplomat for Japanese Govt who has just gone back to Japan).

Please advise urgently.

Thanks

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel
Investment NSW
Level 4 & 5, Australia Centre,
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From: Kylie Bell
Sent: Wednesday, 23 March 2022 11:16 AM
To: Stephen Cartwright
Cc: Leigh Nguyen

Chris Carr

Subject: RE: Offer agreed at 2.3 The Colyer - Next steps...

OFFICIAL

Hi Stephen

We joined the call with KPMG today and the advice is that as the payment of accommodation is considered a benefit – whether we pay for it directly or you pay it and we reimburse you. It makes little difference to your bottom line from a tax perspective as we still must declare it as part of your package and allowance. Although, as we would reimburse you for it directly, it would be exempt from mandatory NHI scheme contributions of 2%, but this is not going to deliver the cost savings you were looking for.

So the bottom line is you could take the lease (and we reimburse you as agreed), but it does not solve your ask within your remuneration package cap.

I am sharing with you details of Austrade salary packages for its senior executives and Senior Trade & Investment Commissioners so you can see how they break things down and how your package compares. Although they do have their rent and other costs paid as a benefit, the downside is their salary, which is still taxable, is significantly lower. The pros if this system are of

course that the benefits are significant, but it gives staff little movement or flexibility on how they spend the money.

Page 133 to 135 of the attached annual report provides a salary breakdown of their senior executives. You will see that the highest base salary for their senior trade commissioners – like us they have six regional leaders – falls between the band of \$200,000 to \$225,000 AUD – which is still taxable. A second table shows other benefits including accommodation, schooling etc, and a final column includes superannuation.

In several locations i.e New Delhi, Shanghai etc – the Senior Trade Commissioner and staff locate in properties on DFAT compounds with security and shared facilities. The rent on these properties is at a premium, and it is in these locations that Austrade pay the highest premiums to DFAT. In a few locations Austrade owns properties would be expensive to rent, and again these properties are at the premium and reflected in the annual report accordingly.

As an example (and I am no accountant), Jennifer McKinlay's package as the London based Senior Trade & Investment Commissioner for the UK and Europe – with a large mandate - would be roughly as follows – which I think would align to yours:

Gross Taxable Salary	Employer Superannuation Contribution	Rental and Property	Schooling and Other	Total Benefit after tax
\$200,000 (\$150,00 after tax)	\$26,000	\$170,000 (based on 8,000 pound a month)	\$100,000 (based on 60,000 pounds)	\$350,000

While the other AGs have disclosed their rent, they have not disclosed their base salaries, which should be able to gathered from annual reports. Ive attached DFAT annual reports for you as well, and you will note their Ambassador's base salaries are in most cases lower than Austrade's. Most of the DFAT Ambassador properties are government owned, but used at least two times a day for events, and therefore a not really functioning family homes and the benefit contribution reported for them is very significant. And due to the seniority of Ambassadors, many do not have school aged children.

I would like to call you to discuss as I know you are keen to proceed with the property you have identified.

Cheers
KB

From: Kylie Bell
Sent: Monday, 21 March 2022 7:27 PM
To: Stephen Cartwright
Cc: Mark McRae

Clare O'Connor

Leigh Nguyen
Chris Carr

Anna

Bull
Subject: RE: Offer agreed at 2.3 The Colyer - Next steps...

Hi Stephen

The Operations team have been working on this and I have asked for an urgent recommendation so we can proceed with either Investment NSW entering into the lease agreement and paying directly, or you taking out the agreement as the tenant and we pay you. Either way it will also require your employment contract and package to be re-developed and reissued as you know.

I'm sorry but I don't have a clear answer on this for you yet.

I've copied in the team so we can respond appropriately, noting you are now at the point of trying to sign a lease and this advice is now past urgent.

I appreciate this puts you in a difficult spot, and if any of the team copied in have a firm view or recommendation this would be helpful.

If we don't hear overnight, and there is a risk of losing the property I would suggest it goes in your name as per our current agreement, and we transfer over the lease to Investment NSW over the coming months ahead of you moving in and incurring rent from 1 May - if this is agreed us having the best tax implications for both parties.

Does anyone else have any comments, in particular Mark or Chris with a legal perspective and Leigh or Clare from a tax/ finance perspective.

Thanks
Kylie

From: Stephen Cartwright
Sent: Monday, 21 March 2022 7:12 PM
To: Kylie Bell
Subject: FW: Offer agreed at 2.3 The Colyer - Next steps...

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??

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel
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From:
Sent: Monday, 21 March 2022 7:38 AM
To: Stephen Cartwright
Subject: Offer agreed

Subject to Contract and References

Dear Stephen,

It was a pleasure to meet you yesterday, thank you for your time. Thank also for sending over proof of address we discussed.

I am pleased to say that the Landlord has agreed your offer overnight – the only addition to the offer would be that there will need to be a slight rent increase in the second year in line with RPI – however this will be capped between a 3% and 5% increase in rent.

In order to reserve the property, we will require a holding deposit – this will be one week of rent (£1,050.00) and will be deducted from your first month's rent when you move in. When this has been paid we can remove from the market, so please can I request it is paid as quickly as possible to secure it.

The holding deposit can be paid using this line (this has also been sent to you in a separate email) – AMEX will not work with this service:

Once this has been paid, you can then advise if this lease will be in your personal name or your company name – I will then send you the next steps accordingly.

Furthermore, I will then contact the tenant about the television as we discussed.

Finally I wanted to point out, as I am not sure if I did on the viewing, that we will arrange for a full professional clean of the property for prior to your move in.

If you have any questions, please do not hesitate to ask.

Kind regards

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Your package

From Kylie Bell

:

To: Stephen Cartwright

Will Crago

Date: Thu, 28 Apr 2022 00:04:04 +1000

Meant to call you about this tnite but I had Andrew Parker and Karla in the car with me.

We are readjusting your package / pay to reduce the tax burden. To get kpmg and our payroll provider to make calculations, can you pls confirm if you will be seeking schooling for your kids over the next 12 months.

We won't be reimbursing you for accommodation / school, rather we'll be restructuring your pay / benefits allowance to mean we pay the taxes on your benefits. I'm not sure finance / Clare ever set up the call to explain this. I know a session with kpmg was promised.

Can chat tmrw but any detail around school situation will help with them running you/ us through the final numbers.

Cheers

KB

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**FW: : Brief to CEO - Cartwright contract variation :
ACTION REQUIRED (DPC Action Due: 06 Jun 2022)**

From: Kylie Bell
To: Will Crago
Date: Mon, 06 Jun 2022 22:15:43 +1000

This was an excellent brief – really clear and concise for a very complex issue.

From: DPC Docs <dpcdocs@dpc.nsw.gov.au>
Sent: Friday, 3 June 2022 10:32 AM
To: Kylie Bell
Subject: : Brief to CEO - Cartwright contract variation : ACTION REQUIRED (DPC Action Due: 06 Jun 2022)

Hello Kylie Bell,

ACTION REQUIRED

Approval order: Evelina Polura >> Chris Carr >> **Kylie Bell** >> Pre-Approvers
- Chief Executive Officer Investment NSW >> Chief Executive
Officer - Investment NSW

CC: Will Crago, Anna Bull, Evelina Polura

Printing: Chief Executive Officer - Investment NSW

Release to: DPC Internal Approval Only

DPC Action Due

6
Jun 2022

APPROVAL HISTORY

Comments	Actions Taken	Version
----------	---------------	---------

Objective Administrator

Kylie Bell, this is a system generated reminder that your task has not been completed for two (2) days. Please use this

Resubmit - to current
approver
(03-06-2022 10:29:27)

v2.1

email to complete the task; previous emails have been superseded by it.

Objective Administrator

Kylie Bell, this is a system generated reminder that your task has not been completed for two (2) days. Please use this email to complete the task; previous emails have been superseded by it.

Resubmit - to current approver
(01-06-2022 10:27:10)

v2.1

Chris Carr

OFFICIAL Drafting edits to clarify various points.

Progress approval - changes made
(30-05-2022 10:23:48)

v2.1

Evelina Polura

Brief from Will Crago being workflowed by Evelina Polura

submitted for approval
(27-05-2022 16:09:34)

v1.0

DOCUMENTS FOR APPROVAL & SUPPORT

Documents for Approval:

Brief to CEO - Cartwright contract variation

Edit / View
View

Edit /

View Only
Only

View

A5420282 Attachment A: Current Employment Contract for Mr Stephen Cartwright

Edit / View
View

Edit /

View Only
Only

View

A5420282 Attachment B: Results of the benchmarking review

Edit / View
View

Edit /

View Only
Only

View

A5420282 Attachment C: Predeployment Deloitte tax advice provided to Mr Cartwright

Edit / View
View

Edit /

View Only
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View

A5420282 Attachment D: KMPG assessment on the UK tax implication

Edit / View
View

Edit /

View Only
Only

View

A5420282 Attachment E: Herbert Smith
Freehill advice on contract variation

Edit / View Edit / View Only View

A5420282 Attachment F: draft contract
variation for Mr Cartwright

Edit / View Edit / View Only View

Initiating request:

A5420282 - SELF INITIATED

Edit / View Edit / View Only View

Printing Instructions:

Print/sign/dispatch by final approver (provide detailed instructions)

Please sign letter at Attachment F

SELECT ONE OF THE FOLLOWING ACTIONS

◀ RETURN TO PREVIOUS

PROGRESS APPROVAL ▶

Changes are required Changes are required

No changes No changes

Cancel workflow Cancel workflow

Changes made Changes made

Jump to another:

[Jump to submitter](#)
Evelina Polura

[<< Jump to](#)
Evelina Polura

[< Jump to](#)
Chris Carr

[Jump to >](#)
Pre-Approvers -
Chief Executive
Officer
Investment NSW

[Jump to >>](#)
Chief Executive
Officer -
Investment NSW

[Jump all -
approve](#)

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9228 4938

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RE: Contract Variation

From: Stephen Cartwright
To: Kylie Bell
Date: Wed, 08 Jun 2022 23:06:13 +1000

OFFICIAL: Sensitive - NSW Government

Yes it does thanks

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel
Investment NSW
Level 4 & 5, Australia Centre,
Australia House
Melbourne Place, London, WC2B 4LG

W: www.investment.nsw.gov.au

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-----Original Message-----

From: Kylie Bell
Sent: Wednesday, 8 June 2022 2:05 PM
To: Stephen Cartwright
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Yes, we'll issue a letter to everyone confirming arrangements. Its with legal and could take a few weeks as the two final STIC candidates are still going through contract negotiations. I don't want to hold up your rental agreement given you have already moved in and we'll start covering you from the get go.

It is not a change to your contract and will instead be a change to your relocation agreement to add in new coverage for everyone.

Hope that makes sense.

Cheers
KB

-----Original Message-----

From: Stephen Cartwright
Sent: Wednesday, 8 June 2022 10:56 PM
To: Kylie Bell
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Thanks Kylie

Quick question - you mentioned in our last chat in Sydney that our employment agreements were being re written to reflect potential early termination matters. Is that a separate exercise to this?

Thanks

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel Investment NSW Level 4 & 5,
Australia Centre, Australia House Melbourne Place, London, WC2B 4LG

W: www.investment.nsw.gov.au

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-----Original Message-----

From: Kylie Bell
Sent: Wednesday, 8 June 2022 1:29 PM
To: Stephen Cartwright
Cc: Will Crago

Evelina Polura
Jeshree Gaundar

Subject: Contract Variation
Importance: High

OFFICIAL: Sensitive - NSW Government

Hi Stephen

Hope you have landed safely and most importantly the move into the new apartment has gone smoothly and you are getting settled.

Please see signed letter from the CEO to vary your employment agreement - with us now paying your rent and wearing the tax implications, with a subsequent reduction in your allowances to the same value of your rent. I believe this has all been discussed with Will and KPMG and you are across all the details.

As it reflects a change in your employment agreement we will need your signature on the amendment letter. We have asked for you to return it this week (or early next week) so we can

make adjustments to payroll and ensure everything is set up with Lorraine to begin paying your rent directly from 6 July - which is I think your dday.

Please be reminded that you remuneration package and arrangements are of course confidential.

Any questions, reach out to Will or I, given Will has been leading this one for you.

Thanks
Kylie

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RE: Contract Variation

From: Kylie Bell
To: Stephen Cartwright
Cc: Will Crago
Date: Wed, 08 Jun 2022 23:21:41 +1000

I'm looping in Will who worked with legal to draft this. I understood it is to only kick in from the date of signing but Will can you confirm this with Mark and Victoria - as I don't think it is clearly stated and we may need to say in include a start date for the flip over i.e 1 July.

I know you are in Canberra so can you respond to this one when you are back in Sydney tomorrow?

Thanks
KB

-----Original Message-----

From: Stephen Cartwright
Sent: Wednesday, 8 June 2022 11:09 PM
To: Kylie Bell
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Sorry - just one other question. This letter seems to vary the agreement from its inception rather than from 1 July 2022, which would be odd as this would mean the allowance already paid well exceeds the \$11k per annum. Surely the effective date of the variation has to be 1 July? On that, will I receive my full allowance for my June pay (last day of June) and then the new arrangements apply from my July pay?

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel Investment NSW Level 4 & 5,
Australia Centre, Australia House Melbourne Place, London, WC2B 4LG

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-----Original Message-----

From: Kylie Bell
Sent: Wednesday, 8 June 2022 1:29 PM
To: Stephen Cartwright
Cc: Will Crago

Evelina Polura
Jeshree Gaundar

Subject: Contract Variation
Importance: High

OFFICIAL: Sensitive - NSW Government

Hi Stephen

Hope you have landed safely and most importantly the move into the new apartment has gone smoothly and you are getting settled.

Please see signed letter from the CEO to vary your employment agreement - with us now paying your rent and wearing the tax implications, with a subsequent reduction in your allowances to the same value of your rent. I believe this has all been discussed with Will and KPMG and you are across all the details.

As it reflects a change in your employment agreement we will need your signature on the amendment letter. We have asked for you to return it this week (or early next week) so we can make adjustments to payroll and ensure everything is set up with Lorraine to begin paying your rent directly from 6 July - which is I think your dday.

Please be reminded that you remuneration package and arrangements are of course confidential.

Any questions, reach out to Will or I, given Will has been leading this one for you.

Thanks
Kylie

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FW: Contract Variation

From Will Crago
:
To: Evelina Polura Clare O'Connor
Cc: Jeshree Gaundar
Date: Wed, 15 Jun 2022 09:42:10 +1000

OFFICIAL: Sensitive - NSW Government

Hi both,

See below. Can we confirm when the pay cycle will be adjusted for Stephen so that he no longer receives the full 112,500\$?

1) Confirming this agreement kicks in on 6 July from the date we start paying your accommodation directly (date in the letter). Will is checking with payroll and finance to make sure it is a smooth transition and everything is in place for your pay.

2) For the purpose of your payroll and our reporting to the UK govt for your tax obligations, this arrangement replaces your current 'Allowances under your Contract' and you will no longer receive specific payments each pay period in respect of schooling, housing and home leave flight allowances from the date. This will be reflected in your pay and benefits statement. The allowance of \$112,550 per year was specifically to go towards these special allowances/ benefits over and above your base salary of the maximum salary of a band 3 NSW government employee.

Will Crago PSM
Director of International Operations
International Projects Office | Trade and International

Investment NSW
Level 9, 52 Martin Place, Sydney NSW 2000

investment.nsw.gov.au

| W:

My workdays are: Mon | Tues | Wed | Thurs | Fri

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I acknowledge the traditional custodians of the land and pay respects to Elders past and present. I also acknowledge all the Aboriginal and Torres Strait Islander staff working with NSW Government at this time.

Please consider the environment before printing this email.

-----Original Message-----

From: Kylie Bell
Sent: Sunday, 12 June 2022 10:17 PM
To: Stephen Cartwright
Cc: Will Crago
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Hi Stephen

Not sure if Will got back to you on Friday (I cant see an email that he did) but two things.

1) Confirming this agreement kicks in on 6 July from the date we start paying your accommodation directly (date in the letter). Will is checking with payroll and finance to make sure it is a smooth transition and everything is in place for your pay.

2) For the purpose of your payroll and our reporting to the UK govt for your tax obligations, this arrangement replaces your current 'Allowances under your Contract' and you will no longer receive specific payments each pay period in respect of schooling, housing and home leave flight allowances from the date. This will be reflected in your pay and benefits statement. The allowance of \$112,550 per year was specifically to go towards these special allowances/ benefits over and above your base salary of the maximum salary of a band 3 NSW government employee.

However, as agreed, next year if the children are with you in the UK and you require us to pay schooling directly from your base salary as agreed, a new letter will be issued, with specific amounts for fees, and your base salary will further be reduced by the same amount and a new letter will be issued confirming the specifics including the benefits tax we will make good on on your behalf. Each time we enter into a new salary packaging arrangement, a new letter will be issued. The same would apply if you opt for a different apartment if they join you on a more permanent basis.

Hope this all makes sense but will be around tomorrow (it's a public holiday but I'll be online/ on mobile) if you need to discuss.

Cheers
KB

-----Original Message-----

From: Stephen Cartwright
Sent: Thursday, 9 June 2022 8:28 PM
To: Kylie Bell
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Hi Kylie

I look forward to hearing back from Will on the operative date issue.

Also, you and I discussed the opportunity for the school fees to be paid via the same salary sacrifice method as the rent if they moved over and went to school here (or if was a

boarder). I recall that the Minister agreed to this. However, this draft specifically prohibits this in the future?

Kind regards

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel Investment NSW Level 4 & 5,
Australia Centre, Australia House Melbourne Place, London, WC2B 4LG

W: www.investment.nsw.gov.au

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My workdays are: Mon | Tues | Wed | Thurs | Fri

-----Original Message-----

From: Kylie Bell

Sent: Wednesday, 8 June 2022 1:29 PM

To: Stephen Cartwright

Cc: Will Crago

Evelina Polura

Jeshree Gaundar

Subject: Contract Variation

Importance: High

OFFICIAL: Sensitive - NSW Government

Hi Stephen

Hope you have landed safely and most importantly the move into the new apartment has gone smoothly and you are getting settled.

Please see signed letter from the CEO to vary your employment agreement - with us now paying your rent and wearing the tax implications, with a subsequent reduction in your allowances to the same value of your rent. I believe this has all been discussed with Will and KPMG and you are across all the details.

As it reflects a change in your employment agreement we will need your signature on the amendment letter. We have asked for you to return it this week (or early next week) so we can make adjustments to payroll and ensure everything is set up with Lorraine to begin paying your rent directly from 6 July - which is I think your dday.

Please be reminded that your remuneration package and arrangements are of course confidential.

Any questions, reach out to Will or I, given Will has been leading this one for you.

Thanks
Kylie

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OFFICIAL: Sensitive - NSW Government

RE: Contract Variation

From: Kylie Bell
To: Stephen Cartwright
Date: Wed, 15 Jun 2022 23:46:52 +1000

OK I'll sit with Will and see if we can strengthen it, to say your earlier base salary and relocation allowance remains unchanged

I'll also include a line that future salary packaging options, including payment of school fees, will be reflected in a new exchange of letters, as/ when needed.

Is that enough?

Your package consists of three things

1. your base salary of \$487,000 which is the top of a band 3 (Deputy Secretary) in government – we can't go any higher – and this remains unchanged
2. your up to \$60,000 relocation allowance – this remains unchanged and you produce receipts and we reimburse you
3. your cost of living allowance of \$112,000 – you were paid this directly under the current arrangement, but were taxed at 47% on this, and you also had to pay NHI contributions from this. Which meant your take home cost of living allowance was effectively half of it. Instead we are using this full amount to pay for your accommodation to approximately the same total value, and in addition will then pay the benefits tax and NHI contribution on your behalf. Have you seen the figures from KPMG? We are now effectively paying an additional \$110,000 in tax on your behalf each year.

If we pay for school fees in the future it will come out of your base salary as you have nearly exhausted the cost of living allowance component with your rent. But the benefit is will we pay directly so you don't pay tax on it, and we will wear the benefits tax.

I'm not really sure what else you are looking for?

Im switching off now so I get my 6 hours but can speak in the morning.

Cheers
Kylie

From: Stephen Cartwright
Sent: Wednesday, 15 June 2022 11:32 PM
To: Kylie Bell
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

OK – given what happened to me with the UK allowance and the relocation allowance and the overpayment repayment, I am nervous about it not being in the variation agreement as our legal department seem intent on applying the letter of law to benefit the department.

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel
Investment NSW
Level 4 & 5, Australia Centre,
Australia House
Melbourne Place, London, WC2B 4LG

W: www.investment.nsw.gov.au



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NSW**

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From: Kylie Bell
Sent: Wednesday, 15 June 2022 2:30 PM
To: Stephen Cartwright
Cc: Will Crago
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

From my earlier email

Confirming this agreement kicks in on 6 July from the date we start paying your accommodation directly (date in the letter).

Your pay will be adjusted from this period onwards. Will has triple check with ops that they will be ready.

I'll get Will and Clare to brief Lorraine on how to make the payments through the UK bank account directly.

Cheers
K

-----Original Message-----

From: Stephen Cartwright
Sent: Wednesday, 15 June 2022 11:27 PM
To: Kylie Bell
Cc: Will Crago
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Remember I raised the issue of effective date? I haven't heard back on that yet.

Stephen Cartwright OAM
NSW Agent General – UK

Senior Trade & Investment Commissioner – Europe & Israel Investment NSW Level 4 & 5,
Australia Centre, Australia House Melbourne Place, London, WC2B 4LG

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-----Original Message-----

From: Kylie Bell
Sent: Wednesday, 15 June 2022 2:25 PM
To: Stephen Cartwright
Cc: Will Crago
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Hey

Have you signed the contract variation letter and returned it? Or are you not happy with it? All you need to do is sign the contract variation I sent through last week and we kick in. Will has worked with finance and HR and its all good to go. Right Will?

We just need your agreement to amend the conditions in your contract as outlined in the letter.

If you would like changes to letter or don't think it is clear enough can you mark them up and send through for consideration.

Will, can we please sort this out tomorrow with Stephen.

Thanks
KB

-----Original Message-----

From: Stephen Cartwright
Sent: Wednesday, 15 June 2022 11:17 PM
To: Kylie Bell
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Hi Kylie

I am getting a little worried that the next rent payment is looming and we don't seem to be near to completing this and setting up the payment?

I haven't heard from Will.

Kind regards

Stephen Cartwright OAM
NSW Agent General – UK
Senior Trade & Investment Commissioner – Europe & Israel Investment NSW Level 4 & 5,
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-----Original Message-----

From: Kylie Bell
Sent: Sunday, 12 June 2022 1:17 PM
To: Stephen Cartwright
Cc: Will Crago
Subject: RE: Contract Variation

OFFICIAL: Sensitive - NSW Government

Hi Stephen

Not sure if Will got back to you on Friday (I cant see an email that he did) but two things.

- 1) Confirming this agreement kicks in on 6 July from the date we start paying your accommodation directly (date in the letter). Will is checking with payroll and finance to make sure it is a smooth transition and everything is in place for your pay.
- 2) For the purpose of your payroll and our reporting to the UK govt for your tax obligations, this arrangement replaces your current 'Allowances under your Contract' and you will no longer receive specific payments each pay period in respect of schooling, housing and home leave flight allowances from the date. This will be reflected in your pay and benefits statement. The allowance of \$112,550 per year was specifically to go towards these special allowances/ benefits over and above your base salary of the maximum salary of a band 3 NSW government employee.

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Any questions, reach out to Will or I, given Will has been leading this one for you.

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Kylie

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