

STATUTORY AND OTHER OFFICES REMUNERATION TRIBUNAL

REPORT AND DETERMINATION PURSUANT TO SECTION 24D OF THE ACT

1. The Hon Bob Carr MP, Premier in his letter of 23 June 2000 has directed the Tribunal:

"To determine the remuneration package of the newly created position of Co-ordinator General of Rail."

2. In making this determination, the Premier has asked the Tribunal to take into consideration the matters outlined in a letter from the Minister for Roads and Minister for Transport, the Hon Carl Scully MP and in particular to note

"...that this position is senior to the Chief Executives of the State Rail Authority, Rail Access Corporation and Rail Services Australia."

3. The Minister has announced that Mr Ron Christie has been appointed to the newly created position. The Tribunal has been advised that Mr Christie was chosen because of his extensive experience as a Chief Executive with a long history of involvement with public transport.
4. The metropolitan rail network is the responsibility of three organisations, State Rail Authority (SRA), Rail Access Corporation (RAC) and Rail Services Australia (RSA). Each of these organisations has responsibility for a particular aspect of the overall rail operations. Broadly speaking, SRA is primarily responsible for the operation of trains and time tables; RAC is responsible for rail infrastructure and RSA is responsible for the rail maintenance and repairs. The combined workforce of the three organisations is approximately 14,000 employees.
5. The RAC and RSA are classified as State Owned Corporations. They both operate in a commercial environment and their respective Boards govern the management of the organisations. The SRA is a public trading enterprise and its Board provides advice to the Minister on matters relevant to the operations of the Authority. Each organisation also has a Chief Executive Officer who reports to the Board.

- 6. As a result of the ongoing problems with the metropolitan rail services the Government has created a new position of Co-ordinator General of Rail. The responsibility of this office is to manage and co-ordinate the activities of the three organisations. The Tribunal has been informed that appropriate legal and administrative arrangements have been made whereby the office holder will be able to require the CEOs of the three organisations and their Boards to implement his decisions to improve rail service reliability. These powers and responsibilities make the Co-ordinator General of Rail the most senior officer responsible for metropolitan rail services. The appointment is for 12 months only.

- 7. Mr Christie is currently remunerated within SES level 8 (current maximum for this level is \$305,955pa). The Tribunal has been informed that the CEOs of the three rail organisations which will now report to Mr Christie receive the following remuneration:

CEO State Rail	\$332,925pa
CEO Rail Access Corporation	\$257,550pa
CEO Rail Services	\$365,000pa

- 8. In making its determination the Tribunal has noted the public level of disapproval with metropolitan rail services. The Tribunal also notes the broad sweeping powers provided to the Co-ordinator General to overcome the problems and restore rail services to an acceptable level. In the lead up top the Olympics this will make the Co-ordinator General of Rail one of the most important positions in the NSW public sector. Not only will the Co-ordinator General of Rail be required to restore public confidence in the rail system but also ensure that that it will be able to cope with the huge influx in patronage expected from the Olympic Games.

- 9. The Government believes that in Mr Ron Christie, it has appointed the most appropriate person to meet this challenge. The Government’s confidence in Mr Christie’s ability to do this job effectively is reflected in the role and responsibilities of the position which are, essentially, to manage the activities of the three rail organisations. The Government has also set a 12 month timetable for Mr Christie to achieve this task. These matters should be recognised in the remuneration level set for this position.

10. The Tribunal believes it is necessary to determine a remuneration package commensurate with the enormity of the task ahead and the responsibilities inherent therein. Because of the seniority of this position *vis a vis* the CEOs of the three rail agencies and their Boards, a higher level of remuneration should be determined than that received by the highest paid CEO ie the amount determined should be higher than \$365,000pa.
11. Based on the information submitted the Minister, the critical role and responsibilities the Co-ordinator General of Rail will have in implementing the changes necessary to restore public confidence in the rail system; the broad sweeping powers to direct the CEOs and the Boards of the three organisations, the 12 month appointment period, and the remuneration levels of the three CEOs, an annual remuneration package amount of \$380,000 is appropriate and I so determine.
12. Because of the particular skills, qualifications, experience of Mr Ron Christie, this determination, without prejudicing any future determination the Tribunal may make about the remuneration of the position, is applicable to the Co-ordinator General of Rail while Mr Christie holds that position.

DETERMINATION

Pursuant to section 24D (1) of the Statutory and Other Offices Remuneration Act 1975, I determine that the remuneration package for Mr Ron Christie, while ever he holds the position of Co-ordinator General of Rail, shall be \$380,000 per annum with effect from his entry on duty.

The Statutory and Other Offices Remuneration Tribunal

Gerry Gleeson
26 June 2000