



**SENATOR THE HON. ERIC ABETZ**  
**LEADER OF THE GOVERNMENT IN THE SENATE**  
**MINISTER FOR EMPLOYMENT**  
**MINISTER ASSISTING THE PRIME MINISTER FOR THE PUBLIC SERVICE**  
**LIBERAL SENATOR FOR TASMANIA**

Mr John C Conde AO  
President  
Remuneration Tribunal  
PO Box 281  
CIVIC SQUARE ACT 2608

25 SEP 2013

Dear Mr Conde

**Director – Fair Work Building Industry Inspectorate**

I am writing to you concerning remuneration of the Director of the Fair Work Building Industry Inspectorate (FWBII).

The Australian Government proposes to introduce a Bill in the first sitting week of Parliament seeking to re-establish the Australian Building and Construction Commission (ABCC).

The Bill, when enacted, will reinstate the role, functions, and powers of the Australian Building and Construction Commissioner (the Commissioner). The Commissioner will oversee a stronger enforcement regime with a greater focus on compliance with workplace laws. Specifically, the Commissioner will be responsible for issuing mandatory examination notices to individuals, and for overseeing the implementation of reinstated industry specific enforcement provisions. From past experiences there is no doubt that the ABCC's use of its significant powers will be closely scrutinised by stakeholders.

On 24 September 2013, the current Director of FWBII, Senior Deputy President Val Gostencnik resigned with effect from 4 October 2013. I propose to appoint Mr Nigel Hadgkiss as his replacement. I also propose he become the Commissioner of a re-established ABCC. Mr Hadgkiss is currently the Director of the Victorian Government's Building Industry Compliance Unit. He would bring with him extensive experience in the construction industry, having served a total of six years as the Deputy Commissioner of the ABCC from 2005 to 2008, and previously the Director of the Commonwealth's Building Industry Taskforce from 2002 to 2005. Mr Hadgkiss has also served as an Executive Director at the NSW Office of the Director of Public Prosecutions and as an Assistant Commissioner for the Australian Federal Police.

Due to his qualifications and experience, Mr Hadgkiss is uniquely qualified to manage the successful transition to a re-established ABCC. He brings invaluable experience to the role and would provide continuity during a period of change.

Remuneration

The remuneration for the Director should be commensurate with the significant responsibilities attached to the position. It should reflect the Government's desire to attract candidates of the highest calibre to oversee this priority area.

The Remuneration Tribunal Determination 2013/10 lists the Director of the Fair Work Building Industry Inspectorate as a Full-Time Public Office Holder with tier 2 travel allowances. The current incumbent, Deputy President Val Gostencnik is remunerated at a rate according to his position as a senior member of the Fair Work Commission.

Former ABC Commissioner's Mr John Lloyd and Mr Leigh Johns were both remunerated at significantly higher rates. The Government considers Mr Hadgkiss is significantly more qualified than Mr Johns. The Government also considers the position of Director of the new ABCC is on par with the Fair Work Ombudsman and as stated above Mr Hadgkiss is uniquely qualified to manage the successful transition to a re-established ABCC.

Former Determinations of 2007 and 2008 show that the Fair Work Ombudsman (FWO) and Commissioner of the ABCC were remunerated at similar rates indicating that the positions were of equal value.

Due to this being a significant position, the Government considers that the remuneration of the new Director should be above those paid to the CEO of Safe Work Australia and General Manager of the Fair Work Commission. A remuneration comparison table is at Attachment A.

The Government seeks a personal loading on the Director's base salary to bring it into line with the total remuneration of the FWO as an interim measure and will seek a review of the Director's remuneration package once the Bill has been enacted.

The contact officer in the Department of Employment is Jeremy O'Sullivan on (02) 6121 7946 or [jeremy.o'sullivan@deewr.gov.au](mailto:jeremy.o'sullivan@deewr.gov.au).

Yours sincerely



ERIC ABETZ

**Encl.**

**Total Remuneration Comparison Table**

<b>Position</b>	<b>Total Remuneration*</b>
<b>Director, Fair Work Building Industry Inspectorate</b>	<b>\$ 316,420</b>
<b>CEO Comcare</b>	<b>\$ 338,110</b>
<b>CEO Safe Work Australia</b>	<b>\$ 384,000</b>
<b>General Manager, Fair Work Commission</b>	<b>\$ 384,000</b>
<b>Fair Work Ombudsman</b>	<b>\$ 409,600</b>

\*Total remuneration represents the total value of all cash and non-cash benefits available to the office holder including salary and allowances, lump sum payments, superannuation and motor vehicle, but does not include allowances such as reunion travel.