

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Additional Estimates Hearings February 2015**  
**Communications Portfolio**  
**Australia Post**

**Question No: 11**

**Program No. Australia Post**

**Hansard Ref: Page 19, 24/2/2015**

**Topic: Personnel receiving substantial at-risk components to salary**

**Senator Whish-Wilson, Peter asked:**

**Senator WHISH-WILSON:** The 2014 annual report states that the corporation made an overall loss in the second half of the financial year—the first time you have made a loss in six-month period since you were corporatised in 1989. The report also shows that 418 personnel received substantial at-risk components on top of their reportable salaries. For example, one individual we note received a salary of \$158,230 but an at-risk component of 3.6 times that. It took the overall remuneration to \$731,016. Are these at-risk components technically performance bonuses?

**Mr Fahour:** In last year's annual report, for the whole year, we did make a profit and—

**Senator WHISH-WILSON:** But for the six months, you did not.

**Mr Fahour:** For some of that period we did not. The answer to your question is: the at-risk component is largely associated with bonuses. For this specific person or, I guess, for the number of band, I can find out the specifics if you wish. Obviously, without naming names, I can get you the detail of that. But overall the criteria that we use is a threefold. Firstly, we ask if the corporation met its budgets and its forecast. Secondly, we ask if the individuals specifically met their criteria of whatever the KPIs were that create that. Thirdly, we do what is called a calibration of a distribution curve where we have certain people categorised as one, two, three, four, five—and it is relative ranking. Those three criteria are all taken into consideration—

**Senator WHISH-WILSON:** For those 418 personnel, can you give us a rough idea of what their total at-risk components, or salaries, would have amounted to. Can you give us a dollar amount of what you, roughly, paid out in bonuses.

**Mr Fahour:** I can take that on notice and give you the answer to that information.

**Answer:**

The at-risk components received by employees are based on the employee meeting or exceeding individual objectives linked to key annual business objectives and performance measures.

Reportable salary comprises the cash salary paid and non-monetary benefits provided to employees in the reporting period. The at-risk component represents the cash incentive received by employees in the reporting period. As such, amounts for the at-risk component disclosed in the 2014 annual report reflect amounts related to performance in the 2012-13 financial year (paid in September 2013), and in some cases includes payments of deferred instalments of incentives from previous years.

The individual with a reportable salary of \$158,230 ceased employment during the financial year, and the reportable salary reflects the period of employment. The at-risk component of \$569,217 represents incentive payments relating to prior years and an amount agreed under a deed of separation, paid in September 2013 at the time the employee ceased employment.

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For those 418 personnel, the total reportable remuneration paid in the 2013-14 financial year was \$123,862,267, which includes an at-risk component of \$27,451,851.