

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 BUDGET ESTIMATES HEARING

Outcome: CSIRO
Output Group: CSIRO

DEST Question No. E170_07

Senator Stephens and Wong asked on 31 May 2006, EWRE Hansard pages 23 & 24.

Question:

Senator Stephens—Thank you. In relation to the other information that was provided in response to that question about the chief executive office unit, I noticed that the chief executive's remuneration actually decreased between 2003 and 2004.

Dr Garrett—That is the total package. That is accurate.

Senator Stephens—Are you able to explain what that reduction was, Dr Garrett?

Dr Garrett—In terms of the overall package at that time, I believe my overall at-risk component decreased slightly.

Senator Stephens—Sorry, can you elaborate? What is the 'at-risk component'?

Senator Wong—Subject to performance.

Dr Garrett—Subject to performance. That could have been the explanation. I would have to look at the facts. This number is associated with leave accruals and a whole bunch of other stuff. I would have to get those facts.

Senator Stephens—That is a performance related reduction in that year.

Dr Garrett—I do not know the answer to that, Senator. That was a suggestion. I do not have the accurate data.

Senator Stephens—Then there was an increase in the next year of \$50,000-plus. Would that also have had a similar kind of explanation?

Dr Garrett — I would have to get those facts.

Senator Wong—Let us do it this way: in answer to Senator Stephens, Dr Garrett, you indicated that the proportion of your remuneration which was at risk—that is, subject to performance targets—had reduced. Is that right?

Dr Garrett—As I indicated, I have to take that one on notice because there are a number of elements of the package around leave accrual that make adjustments from year to year, so I would have to come back with that detail.

Answer:

CSIRO has provided the following response.

Chief Executive Remuneration

The position of CSIRO Chief Executive is a Principal Executive Office (PEO) officer and subject to the determinations of the Remuneration Tribunal. Under clause B1(3) of Determination 1999/15 of the Remuneration Tribunal, the CSIRO Board is able to set an 'at risk' performance payment subject to a limit. That limit is expressed as a percentage of Total Remuneration. In 2003/04 (the applicable year for CSIRO's 2004/05 Financial Statements) and prior years, the percentage limit was 15%.

Prior to 2003 the CSIRO Board had assessed performance over a calendar year cycle because that corresponded with the anniversary of appointment of Chief Executives since the performance payment provision was introduced in the mid-1990s.

In 2003 the CSIRO Board, in consultation with the Tribunal, brought the assessment cycle into line with the financial year. The consequence was that in 2003/04 the performance payment made to the Chief Executive by CSIRO was for a six month period to June 2003. The payment made in 2004/05 was for the full 2003/04 financial year.