

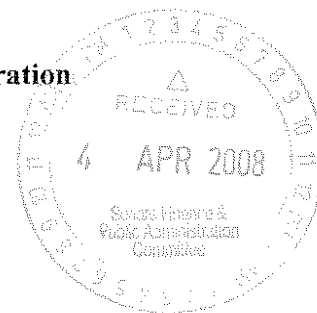
Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Future Fund Management Agency

Additional Estimates Hearing – February 2008



Question: F86

Outcome: Enhanced capacity for the Australian Government to offset unfunded superannuation liabilities

Topic: Performance bonuses

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Senator Watson asked:

Can you assure the committee that, in future, performance bonuses will only be paid when the return of the fund outperforms the market rather than merely following it?

Answer:

Our performance pay policy determines the payment of performance bonuses.

The policy aligns the payment of performance bonuses to individuals with:

- achievement of organisational objectives, including portfolio performance relative to agreed benchmarks, that are agreed between management and the Board of Guardians;
- achievement of personal objectives agreed between each staff member and their manager; and
- demonstration by staff members of appropriate behaviours in support of our organisation's values.