

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Supplementary Budget Estimates Hearing – October 2006

Question: F58

Outcome 1 Output 1.2.3

Topic: Future Fund Management Agency – CEO Remuneration Package

Hansard Page: F&PA 107

Senator Sherry asked:

I am not sure that \$500,000 plus a possible bonus of up to 60 per cent is not the highest....Would you take that on notice and give us a comparison?

Answer:

The remuneration package of \$500,000 (inclusive of salary and superannuation contributions) plus a possible bonus of up to 60 per cent that may be paid to the General Manager of the Future Fund Management Agency (the Agency) is not the largest publicly disclosed remuneration package payable to a public sector employee. If the maximum bonus of 60 per cent is paid to the General Manager of the Agency his remuneration will total \$800,000.

The table below shows the remuneration of several other equivalent positions in 2005-06. The figures in the table are all publicly available and can be accessed in the 2005-06 annual reports for the entities.

Position	Base Package (cash salary and superannuation entitlements)	Total Remuneration Package (Base Package and additional entitlements)
Managing Director, Australia Post [†]	\$1,432,330	\$2,296,318
Australian Broadcasting Corporation (highest paid position)*		\$1,005,000 - \$1,019,999
Managing Director, Medibank Private	\$516,959	\$738,946
CSIRO (highest paid position)*		\$490,000 - \$504,999

[†]There are a number of executives in Australia Post earning in excess of \$600,000 per annum.

*Although the details published are not personally identifiable, these positions are likely to be the Managing Director of the ABC and CEO of the CSIRO respectively.

The remuneration packages of the CEO of the Defence Materiel Organisation and the Governor of the Reserve Bank of Australia are not publicly available.

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The Department of Employment and Workplace Relations conducts an annual remuneration survey of all Australian Public Service (APS) employees. The 2005 APS Senior Executive Service (SES) Remuneration Survey is based on a sample of remuneration data from 55 participating agencies and a total of 1913 SES officers. The highest recorded total reward (total remuneration package plus the actual bonus paid) for a SES Band 3 officer was \$650,106. This would be comparable with the General Manager's package should he receive half of his maximum possible bonus.

The 2005 APS SES Remuneration Survey did not include all agencies or SES Band 3 officers and it is possible that there are other APS SES officers receiving a comparable level of remuneration to the General Manager of the Agency.