

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

Australian Broadcasting Corporation

Question No: 131

Australian Broadcasting Corporation

Hansard Ref: Written, 7/6/2017

Topic: Managing Director

Senator Hanson, Pauline asked:

1. The Managing Director of the ABC is listed as a Tier E position within the Principal Executive Office classification. There is a minimum salary but no maximum.
 - (a) What process was undertaken to set the remuneration of the MD of the ABC in the current financial year, including benchmarking and consultation with the Remuneration Tribunal?
 - (b) What proportion of the MDs remuneration is salary and what proportion is performance bonus and what proportion is superannuation benefits?
 - (c) How many people report directly to the MD of the ABC? Of this group how many earn more than \$400,000 in remuneration (salary plus performance bonus plus superannuation)?

Answer:

1.

- (a) In 2015, the ABC engaged Egan & Associates to conduct a review of the Managing Director's remuneration. The review provided comparisons with the remuneration for similar roles in the general commercial market, the media industry and key counterparts in the Principal Executive Office (PEO) structure governed by the Remuneration Tribunal.

Based on the findings of the review, the ABC Board sought endorsement from the Remuneration Tribunal to increase the annual fixed remuneration in order to attract the best possible candidate to the vacant position.

In December 2015, the Remuneration Tribunal approved the recommendations of the review to change the classification of the Managing Director position to the highest grade in the PEO Structure – Band E, including Total Remuneration Reference Rate (TRRR) of \$1,000,000 per annum with effect from 1 January 2016, and ABC Board discretion to offer between 90 per cent and 100 per cent of the TRRR in the first 12 months of the office holder's appointment.

- (b) The Managing Director's total remuneration is \$900,000 per annum. Superannuation is 9.5 per cent of salary up to the superannuation guarantee threshold. The salary portion is \$880,384 and there is no performance pay component.
- (c) The Managing Director has ten direct reports. Eight of these people earn more than \$400,000 in remuneration (salary plus performance bonus plus superannuation).