

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

NBN Co Limited

Question No: 216

NBN Co Limited

Hansard Ref: Page 110, 112, 25/05/2017

Topic: NBN Co salaries – 2 per cent cap

Senator Dastyari, Sam asked:

Senator DASTYARI: Again, I do not want to spend too much time on this. Minister, we had a conversation yesterday about salaries regarding Australia Post and ABC. I think there were a few questions that you were taking away as part of that. Does the government's bargaining policy relate to NBN as well?

Senator Fifield: I will have to check.

Senator DASTYARI: Okay. I assume the CFO or someone here may be more aware of that. Mr Morrow?

Senator Fifield: It applies to all Commonwealth GBEs. That is my understanding.

Senator DASTYARI: Clause 12 states that remuneration increases may be negotiated to an average of two per cent per annum. This is the kind of two per cent rule we were talking about yesterday in relation to Post employees. There were some questions that were taken on notice about how it interacts with GBEs, which very rightly you said were quite technical in pieces of legislation and you were going to get back to us on at the appropriate time.

Clause 28 of the policy also states the remuneration increases for senior executive services and equivalent employees covered by individual arrangements are to be consistent with this policy. Is it your expectation that NBN Co will comply with the two per cent cap on base wage growth for senior executives?

Senator Fifield: Let me double-check in relation to NBN.

Senator DASTYARI: Could you check whether the government's two per cent policy applies?

Senator Fifield: We will check to make sure.

...

Mr Morrow: We would have to go back to check to see when that policy was actually implemented. I do not recall the specifics, but we did—

Senator DASTYARI: The evidence I was given yesterday by the minister was that it was 2013-14 when it came in to effect. Now, if this was part of a contract or negotiation that was earlier than that—look, Mr Morrow, we are going to have a spillover day. You will have the opportunity. You are not going to be able, I suspect, to give me the answer that is going to resolve this issue definitively tonight, so why don't I just put to you the question that I am really asking? Can you just explain the 8.6 per cent growth and the 10.1 per cent growth and how that is consistent with the government's bargaining framework?

Mr Morrow: We are happy to take that on notice.

...

Senator DASTYARI: I am not disputing that it was or was not a restructure of his package. There are reasons for a restructure of his package, and you have provided them. My point is: even though it was a restructure of his package, I do not understand how that still—I would like you to take this on notice, and, Minister, if you can take this on notice as well—seems to be, as I read what is in very clear government policy, in breach of the government policy. Again, I am giving

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you the opportunity to take this away on notice. I understand the point you are making. I think, perhaps, you understand part. There are some of those who feel the rigidity of the policy is the problem, because it does not allow what may, in other circumstances, be reasonable types of rearrangements. I think that is where my issue is. You are telling me that Mr Simon is taking away—and you will take this on notice—the same pay level. It is just structured in a different way.

Mr Morrow: Correct.

Senator DASTYARI: I would like you to give me a further—up on review—view on how that is not a breach of the two per cent policy. We can deal with it at a later time.

Senator Fifield: We will take it on notice and review it.

Answer:

As Bill Morrow explained at the Estimates hearing, Mr Rousselot's increase resulted from a change of duties that attracted a higher remuneration. This is a regular business practice and unrelated to the bargaining policy, given his position changed.

Mr Morrow also explained that Mr Simon's remuneration was repackaged to reduce a bonus component so as to achieve consistency across Key Management Personnel.

This change was not in conflict with the principles of the bargaining policy as the Australian Public Service Commissioner has confirmed the 2 per cent annual cap applies to the average increase across the entire enterprise, not to individual personnel. There is scope within the bargaining framework for some employees to receive higher pay increases and others lower, as long as the remuneration pool does not increase by more than 2 per cent per annum, when calculated across the enterprise.