

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2016-17 Supplementary Budget Estimates
20 October 2016

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Staff bonuses

REFERENCE: Question on Notice (Hansard, 20 October 2016, page 113-114)

QUESTION No.: SI-25

Senator KIM CARR: I want to turn to the question of staff bonuses. Who handles that?

Mr Schwager: I will give it a go.

Senator KIM CARR: Perhaps you could tell me who in the department gets a performance payment.

Mr Schwager: I do not actually have a list with me; so I cannot tell you exactly who gets it.

Senator KIM CARR: Let me put it to you in more generic terms. Is it the case that all staff are eligible?

Mr Schwager: No, it is not the case that all staff are eligible for performance bonuses.

Senator KIM CARR: What is the eligibility criteria?

Ms Beauchamp: They would have had to have done something absolutely exceptional.

Senator KIM CARR: Exceptional?

Ms Beauchamp: It could be project specific or it could be superior performance during the year. There are a limited number of performance bonuses paid.

Senator KIM CARR: Who decides which staff receive a payment? Who makes the decision?

Ms Beauchamp: The executive board of the department makes the decision.

Senator KIM CARR: How is the amount calculated?

Ms Weston: Some staff have individual flexibility arrangements where they may have a bonus portion as part of their pay package. The reason that might be the case is that they might have some skills that we need in the organisation. So they are given a special arrangement that might include a bonus. There will be some staff in that situation.

Senator KIM CARR: Perhaps we could go into more detail and you could explain to me how many receive bonuses. Is it correct to say that the number of staff receiving performance bonuses declined?

Ms Weston: I would say that my best thinking on that would be that that is probably the case, yes. But I would probably need to take that on notice and do a bit of analysis for you.

Senator KIM CARR: Thank you. Can you confirm that there were 102 in 2013-14 and it went down to 67 in 2014-15?

Ms Weston: I will take that on notice.

Senator KIM CARR: Thank you. Is it also true to say that the average amount of performance pay received has gone up over the last five years?

Ms Weston: I will take that on notice for you too.

Senator KIM CARR: Is it correct that the average has gone from \$7,757.75 in 2011-12 to \$10,810 in 2014-15?

Ms Weston: You are reading that from an annual report?

Senator KIM CARR: I am relying on annual reports.

Ms Weston: Then I feel that I will probably be confirming those figures. If you are reading from that, it is very likely that it will be correct.

Ms Beauchamp: Senator, those reports should be read in context as well. There has been a significant number of machinery of government changes that have impacted on those averages and numbers.

Senator KIM CARR: We will get to that. I am just wondering whether you can confirm that figure

and, if so why was there was an increase from \$7,700 to \$10,800? If we look at your 2013-14 annual report, 22 SES officers were paid a total of \$339,698 in performance payments. That averages out at \$15,440. Is that true? And in the next year, 2014-15, four SES staff received performance payments totalling \$162,365. That averages out at \$40,591.25 per person. How do we account for that increase?

Ms Weston: Over the period 2011 to 2014, as the secretary has said, there was a very significant number of machinery of government changes.

Senator KIM CARR: There certainly was. But there is a very significant change—from \$15,000 to \$40,000 and from 22 to four.

Ms Weston: There may also have been changes in the reporting requirements for bonuses in the annual reports of that period, which would need to be worked through in the analysis I have undertaken to provide you.

Senator KIM CARR: Thank you. And I would ask you specifically why so few received so much.

Ms Weston: It may be that there are some individual contract arrangements at play there.

Senator KIM CARR: You will no doubt be able to tell me that too. Did the minister sign off on these quite substantial changes in SES performance pay?

Ms Beauchamp: The minister does not normally sign off on performance pay or remuneration for senior executive service members.

Senator KIM CARR: But for some agencies they do. Do these figures only rely on departmental officers?

Are there any agencies within this? My recollection is that I signed off on an agency head.

Ms Weston: There may be IP Australia in those ones.

ANSWER

Please refer to the [Annual Reports](#) on the department's website for confirmation of figures.

During the reporting period (2011-12 to 2015-2016), performance pay arrangements were maintained from staff that transferred from other departments as a result of machinery of government changes.

Performance bonuses relate to exceptional performance in what are demanding and complex tasks. Individual performance and the complexity of tasks varies from year to year considered on a case by case basis and the number of payments and their value vary accordingly.