

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2015-16

Finance Portfolio
9 February 2016

Department/Agency: Commonwealth Superannuation Corporation

Outcome/Program: General

Topic: Remuneration of CSC's employees

Senator: Ludwig

Question reference number: F19

Type of question: Hansard Proof, F&PA Committee, Page 60, 9 February 2016

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Number of pages: 2

Question:

Senator LUDWIG: Minister, if you go to page 35 of the annual report for the Commonwealth Superannuation Corporation, effectively it is a reflection of the same questions I asked earlier. It talks about the CSC remunerating people in accordance with its board-approved remuneration policy. Is that available to the committee? It then goes on to say that 'individually market-based adjustments are determined by reference to the market survey compiled by FIRG'—

...

Senator Cormann: I have seen the extract. If the question is the same, I might be able to assist you by taking the same approach and taking it on notice to see whether we can help you with the same information that we might be able to provide you with.

Senator LUDWIG: It is only the executive employees—their salary bonuses and how it is structured—together with that policy, which is the board-approved policy. Secondly, if this market survey compiled by FIRG is available? Of course, the additional information is whether or not they set their policy for remuneration in accordance with that earlier document I read out, which was No. 126. I want to be able to effectively see how that policy is reflected in government owned corporations. And the same for ComSuper, although ComSuper is in a slightly different position as I understand it, but then I cannot see anything about their remuneration structure, so I presume they are public servants.

Senator Cormann: I have to take that on notice and see how we can assist you.

Answer:

The Commonwealth Superannuation Corporation (CSC) has employees employed under individual contracts, and employees whose terms and conditions are set out in an Enterprise Agreement. As a regulated superannuation entity, CSC has a Remuneration Policy for its contract employees that complies with APRA Prudential Standard SPS 510.

In accordance with this Remuneration Policy, CSC benchmarks all salaries against FIRG (Financial Institutions Remuneration Group) market surveys. FIRG is a not-for-profit

association of more than 100 banking and financial services organisations who anonymously share remuneration data in the interest of establishing market levels and trends. FIRG member companies match each of their staff to one of around 1200 positions ('job codes') in FIRG's General Remuneration Survey (or around 100 positions in the Industry Leaders Survey in the case of senior executives) and provide remuneration data for these positions every six months. CSC uses the survey data for the relevant job code to determine whether each contract staff member is being paid at market levels or requires a salary adjustment to meet market levels. It is a condition of FIRG membership that CSC does not provide these market surveys to third parties.

RMG 126 is not applicable to CSC as it is not a Government Business Enterprise or Commonwealth company.

CSC publishes staff salary information in its Annual Report to Parliament and on its website.

ComSuper no longer exists. Employees of the former ComSuper (merged into CSC on 1 July 2015) are not public servants. They are engaged under an Enterprise Agreement which is published on the Fair Work website:

https://www.fwc.gov.au/awards-and-agreements/agreements/find-agreement/results?AGREEMENT_TITLE=&STATE=All&INDUSTRY_1=All&AGREEMENT_ID=AE414386&sqlsrv_combine=&ODN=&OLD_PUB_CODE=&PRINT_ID=&ABN=&=Search