

Australian Council of Superannuation Investors

# CEO Pay in ASX200 Companies



ACSI Annual Survey of S&P/ASX200 Chief Executive Remuneration

August 2016

This study was commissioned by the Australian Council of Superannuation Investors, and conducted by OwnershipMatters

acsi

# About ACSI

The Australian Council of Superannuation Investors (ACSI) is a collaboration of Australian superannuation funds and international asset owners, bound together by their common interests as long-term investors in the capital markets.

The focus of ACSI's research, policy and representation is environmental, social and governance (ESG) investment risks and opportunities.

ACSI has 29 Australian superannuation fund members, who collectively manage over \$450 billion in assets on behalf of over eight million Australian superannuation fund members and retirees.

ACSI's six international members are among the largest and most respected asset owners globally in terms of their approach to corporate governance.

The Australian Council of Superannuation Investors  
Ground Floor  
215 Spring Street  
Melbourne, 3000  
Website: [www.acsi.org.au](http://www.acsi.org.au)

# About Ownership Matters

Ownership Matters is an Australian governance advisory firm. Its principals have collective experience of over 30 years in advising institutional investors on governance issues at ASX listed companies.

Ownership Matters Pty Ltd  
Level 5  
167 Queen Street  
Melbourne, 3000  
Website: [www.ownershipmatters.com.au](http://www.ownershipmatters.com.au)

# Foreword

This is ACSI's 15<sup>th</sup> annual survey into CEO Pay in Australia's largest listed companies. It's a valuable resource for investors, tracking, long term trends and highlighting emerging themes.

In 2008, for example, fixed pay seemed to be set on a sky-high trajectory. Between 2001 and 2008, median fixed pay for Australian CEOs rose a staggering 120%, from \$780,975 to \$1,745,856. But in the wake of the GFC, the strong representations that investors and others, including ACSI, had been making about executive pay levels, were listened to and the 'two strikes' rule was introduced. Year by year, we've since seen fixed pay come down.

To be clear, the shrinking of fixed pay is certainly not due to incumbent CEOs taking pay cuts, though they are receiving minimal pay rises. It's down to boards taking the opportunity to pay the replacements of departing CEOs less. These issues combined mean that in 2015, median fixed pay for 2015's ASX100 CEOs was back to pre-2008 levels, at \$1,715,087.

It's interesting to note that the same cannot be said for CEO pay in the USA and UK, which continues a seemingly inexorable rise.

Termination payments had been following a similar downward line, peaking in 2008 with a median of \$3.5 million, then dropping swiftly, following investor calls and the Corporations Act amendment which compelled any company wanting to pay its CEO a termination payment greater than 12 months' salary to first to seek shareholder approval. It's to be hoped that a rash of \$2 million-plus payouts in 2015 proves an anomaly.

But one issue that has remained a nagging constant is bonuses – both their size and their frequency. The median bonus was \$1,360,000 in 2007, dipped under the million mark in 2013 at \$950,000, and in 2015 was back up to \$1,162,488. It is becoming increasingly obvious that more CEOs are getting them, especially in the ASX100.

In 2015, 93% of our sample ASX100 CEOs received a median 76% of their maximum bonus. That's the highest proportion since 2008, a year renowned for hitting new heights in CEO pay, bonuses and termination payments.

It's clear that bonuses are the new normal. So many CEOs receiving such a big percentage of their maximum bonus raises serious questions about the appropriateness of bonus hurdles, and begs the question – are bonuses really just fixed pay dressed up as at-risk pay?

As owners representing the retirement savings of millions of Australians, this is concerning. Independent company directors should be acutely aware that despite the lowering levels of CEO pay, the community believes it is out of step, representing as it does many multiples of ordinary people's wages. Equally, we believe boards risk an investor backlash if they do not keep a tighter rein on management rewards.



Louise Davidson  
Chief Executive Officer

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# Executive summary

This is the 15<sup>th</sup> ACSI S&P/ASX100 CEO pay study, and the fifth including data for the entire S&P/ASX200 (ASX200). It is the second to include 'realised pay' for all CEOs in the sample. This development is significant, as it includes detail on the actual value received by CEOs from their equity incentives vesting, as opposed to the accounting values required to be disclosed under the Corporations Act. Throughout the research, references are made to 'reported' pay and remuneration. This reflects the remuneration reported by ASX200 companies under the statutory reporting requirements referred to above (an example reconciliation of realised and reported pay is included on page 8).

## Overall pay levels down:

- **Both realised and reported ASX100 CEO's pay were down slightly on FY14 levels**, with median reported pay declining 3.1%, and median realised pay declining 2%.
- **Realised and reported pay levels have declined substantially in the ASX101-200.**
  - Average realised pay was \$1.89m, down 15% from \$2.23m in FY14.
  - Average reported pay dropped 24%, from \$2.34m in FY14 to \$1.78m.
  - The median realised pay for ASX101-200 CEOs fell 18.7% to \$1.41m, while median reported pay was down 14% to \$1.47m.
- One reason for **the drop in average remuneration was the absence this year of the high pay outcomes in recent IPOs that distorted prior year figures.** For example, the FY14 realised and reported pay numbers were topped by Nine Entertainment Co.'s (now-departed) David Gyngell, with realised pay of \$18.03m and reported pay of \$19.59m in NEC's first full year after the 2013 IPO.

## Bonuses prevalent:

- The news from the 2015 study is not all bad for ASX100 CEOs. **93% of all sample CEOs received a bonus** - the equal highest number in the history of the study.
- **The median bonus paid rose 9.2% to \$1.16m**, while the median bonus accrued rose 5.8% to \$1.6m.
- **Bonuses in smaller companies seem harder to achieve.** In the ASX101-200 sample, median bonus paid fell 1.6% to \$329,000 **while a third received no bonus**, up from 21% in FY14.
- For the first time, the study includes data on the proportion of maximum bonus awarded, **with the median proportion of maximum bonus awarded across the ASX100 sample 75.8%**, compared to 56.4% for the ASX101-200 sample.

## Highest paid CEOs:

- **The highest realised pay in the ASX100 was \$24.75m between Westfield's co-CEOs, Peter and Steven Lowy**, who also had the highest reported pay at \$21.71m.
- Ramsay Health Care CEO Chris Rex, who was the highest realised pay CEO in FY14 with \$30.8m, was still among the highest paid CEOs on a realised basis in FY15 with \$15.4m.
- The **highest-paid individual CEO on a realised basis** was Seek Limited's Andrew Bassat at \$19.39m (FY14: \$17.95m), while the highest-paid individual CEO on a reported basis was Macquarie's Nicholas Moore at \$16.5m.
- **Best of the rest.** The highest realised CEO pay in the ASX101-200 were the co-CEOs of Charter Hall, David Southon and David Harrison, at \$12.8m, with Premier Investments' Mark McInnes receiving the highest individual realised pay at \$10.34m.
- **Fixed pay declining.** The FY15 study confirms the ongoing decline in ASX100 CEO fixed pay, as boards held fixed-pay levels flat, and paid new appointments less. Median fixed pay has declined almost 12% from a peak of \$1.95m in FY12 to \$1.72m in FY15, while the average has fallen steadily from a peak of \$2.02m in FY09 to \$1.87m in FY15.

## The 10 highest-paid CEOs in ASX100 on a realised pay basis in FY15:

Rank	CEO (Company)	Realised pay (FY14 rank)	Reported pay (FY15 rank)
1	<b>Peter and Steven Lowy</b> (Westfield Corporation)	\$24,753,949 <sup>1</sup> (2)	\$21,706,636 (1)
2	<b>Andrew Bassat</b> (Seek Limited)	\$19,388,403 <sup>2</sup> (4)	\$4,894,439 (34)
3	<b>Peter Allen</b> (Scentre Group)	\$17,863,624 <sup>3</sup> (N/A)	\$9,238,497 (9)
4	<b>Nicholas Moore</b> (Macquarie Group)	\$16,308,753 (10)	\$16,495,070 (2)
5	<b>Louis Gries</b> (James Hardie Industries)	\$15,492,620 <sup>4</sup> (3)	\$13,523,775 (3)
6	<b>Chris Rex</b> (Ramsay Health Care)	\$15,402,869 <sup>5</sup> (1)	\$11,422,335 (4)
7	<b>Don Meij</b> (Domino's Pizza Enterprises)	\$13,723,591 <sup>6</sup> (N/A)	\$3,115,357 (59)
8	<b>Julian Segal</b> (Caltex Australia)	\$13,416,095 <sup>7</sup> (31)	\$6,381,354 (22)
9	<b>Jamie Odell</b> (Aristocrat Leisure )	\$12,677,649 <sup>8</sup> (27)	\$6,717,731 (17)
10	<b>Brian Benari</b> (Challenger)	\$12,309,238 <sup>9</sup> (22)	\$5,369,491 (32)
Average reported and realised pay for top 10 'realised' CEOs		\$16,133,681 (FY14: \$17,012,321)	\$9,886,469 (FY14: \$9,955,460)

## Realised vs reported pay levels:

- Realised pay was again higher than reported pay levels in the ASX100. The average realised pay for the 86 ASX100 CEO reports in the sample was 11% higher than average reported pay, at \$5.54m (FY14: \$5.61m) against \$4.99m (FY14: \$5.01m).

## Termination pay:

- The number of large termination payments in FY15 rose, relative to FY14. In FY14 there were two very large termination payments (at PanAust and what was then Leighton Holdings, but is now CIMIC) and only seven other payments in excess of \$1m. In FY15 there were nine CEO termination payments in excess of \$2m, although the largest, \$6.68m to former AGL Energy CEO Michael Fraser, was less than half the amount received by former Leighton CEO Hamish Tyrwhitt.

<sup>1</sup> Westfield Corporation, 2015 annual report, pp.25-30.

<sup>2</sup> Seek Limited, 2015 annual report, p.33; change of director's interest notice, 16 January 2015.

<sup>3</sup> Scentre Group, 2015 annual report, pp.22-24.

<sup>4</sup> James Hardie Industries plc, 2015 remuneration report, pp.11,15-16; change of directors' interest notices 11 June 2014, 23 September 2014 and 20 March 2015.

<sup>5</sup> Ramsay Health Care Limited, 2015 annual report, pp.66,68.

<sup>6</sup> Domino's Pizza Enterprises Limited, 2015 annual report, pp.22,25.

<sup>7</sup> Caltex Australia Limited, 2015 annual report, pp.37-38.

<sup>8</sup> Aristocrat Leisure Limited, 2015 annual report, pp.45,48; change of directors' interest notices, 8 October 2014, 8 January 2015 and 6 February 2015.

<sup>9</sup> Challenger Limited, 2015 annual report, pp.29,31-32; change of directors' interest notices 2 September 2014, 22 September 2014 and 6 March 2015.

# Methodology

The 2015 study includes the pay of CEOs of all companies in the ASX200 for their 2015 financial years (FY15; the years included range from 31 January 2015, for Sigma Pharmaceuticals, to 31 December 2015). ACSI commenced its longitudinal study of ASX100 CEOs' pay in 2001, and so has 15 years of data on CEO pay over time for this cohort - and five years of data for the ASX101-200 group. The 2015 sample included 86 ASX100 CEOs (FY14: 83) and 70 ASX101-200 CEOs (FY14: 75).

Not all constituents of the ASX200 as at 30 June 2015 were included because:

- Some CEOs were appointed mid-way through the financial year, and so their disclosed remuneration was for less than 12 months. These individuals are removed to avoid distorting total remuneration figures.
- A small number of entities in the ASX200 index as at 30 June 2015 were externally managed (such as Charter Hall REIT and Investa Office Fund). Those entities do not disclose remuneration for their executive team because they are not employees of the listed entity.
- Some other companies were excluded as they did not prepare an annual report for FY15 due to merger activity despite being part of the 'sample' at the census date. Companies that fell into this category were iiNet and Sirius Resources.
- Companies domiciled outside of Australia and subject to different remuneration disclosure requirements, such as Henderson Group, are not included. As in past years, entities such as James Hardie (domiciled in Ireland) and Oil Search (domiciled in PNG) are included in the sample as they disclose remuneration on the same basis as Australian companies. Other entities such as APA Group, Spark Infrastructure and Dexu Property Group (internally managed Australian trusts) are included for the same reason.

All pay figures are in Australian dollars, and are as disclosed in the annual report. If the listed entity discloses pay in another currency (typically US dollars) these figures have been converted into AUD using the average exchange rate for the relevant financial year, or in some cases, the AUD figures provided as supplementary disclosure by the company. In the case of entities with joint CEOs - Westfield Corporation, Charter Hall and Village Roadshow - the combined remuneration of the joint CEOs has been included in the sample.

This report refers to 'CEO pay' although at some listed entities the executive whose pay was analysed is not the person carrying the formal title of CEO. This could be, for example, because the company has an executive chairperson and a separate CEO, and the executive chairperson is the effective leader of the company's management. As an example, Harvey Norman's Gerry Harvey is treated as CEO for the purposes of this study, despite being executive chairperson.

This year's study also includes realised pay data for the entire sample, using the realised pay methodology employed since the 2012 study. Realised pay is calculated based on 'cash pay' - essentially reported pay excluding share-based payments expense - and the value of equity that vested during the year using disclosures from annual reports and change of director interest notices. The value of options with an exercise price is assessed when they are exercised rather than when they vest; the value of zero exercise price options (ZEPOs) is assessed on vesting.

As an example of how realised pay is calculated, Table 1 (overleaf) shows how the realised pay total for Macquarie CEO Nicholas Moore was determined based on the reported pay disclosures for FY15.

**Table 1: FY15 reported to realised pay reconciliation for MQG CEO Nicholas Moore**

	FY15 pay	Reference
A - Reported pay	\$16,495,070	2015 annual report, pp.104-105.
B - Less share-based payments expense	(\$8,494,371)	As above.
C - Less non-equity deferred component of FY15 profit share	(\$1,113,953)	As above.
D - Plus value of equity from deferred profit share vesting	\$6,537,406	Change of director's interest notice, 20 August 2014, closing 15 August 2014 share price.
E - Plus value of FY11 and FY12 ZEPOs at vesting	\$2,484,544	2015 annual report, p.111-112, closing 30 June 2014 share price.
F - Plus value of non-equity deferred profit share from FY10 and FY11 released in FY15	\$400,057	2011 annual report, pp.112-113
Realised pay	\$16,308,753	A - B - C + D + E + F

As noted in the FY14 study, the realised pay of Moore is unusually difficult to calculate given a sizeable proportion of the annual profit share is allocated to a 'notional' portfolio of Macquarie products with the 'earnings' on this notional portfolio paid to participants subject to past losses being recouped.<sup>10</sup> The realised pay total for Moore therefore includes the notional earnings on the deferred profit share for FY15 as well as 20% of the original value of the FY10 and FY11 deferred profit-share allocations, which fell due to vest in FY15.

<sup>10</sup> Macquarie Group Limited, 2015 annual report, p.102.

# Realised and reported pay: the ASX100

In FY15, **average** realised pay was again significantly higher - 11% - than average reported pay. Median realised pay of \$3.88m was however 4.6% lower than median reported pay of \$4.07m.

This again illustrates a feature of realised pay observed in prior studies: that a small number of executives receive realised pay significantly higher than their reported pay (calculated in accordance with accounting standards), especially in cases where security prices rise rapidly. What is striking in FY15 is that the average and median for realised pay were comparable with the FY14 outcomes, as shown in Table 2 below, despite the large range of potential outcomes for realised pay.

**Table 2: Realised pay for ASX100 CEOs**

	FY15	FY14
Median realised	\$3,880,672	\$3,958,000
Average realised	\$5,542,509	\$5,610,057 <sup>11</sup>
Highest	\$24,753,949	\$30,796,223
Lowest	\$518,238	\$657,073

**Table 3: Reported pay for ASX100 CEOs**

	FY15	FY14	FY10	FY05	One-year increase	Five-year p.a. increase	10-year p.a. increase
Median	\$4,066,225	\$4,195,278	\$4,388,073	\$3,092,576	-3.1%	-1.5%	2.8%
Average	\$4,992,943	\$5,008,869	\$4,991,319	\$3,766,549	-0.3%	0%	2.9%
Highest	\$21,706,636	\$22,088,011	\$16,157,746	\$18,553,566			
Lowest	\$518,238	\$657,073	\$132,699	\$659,002			

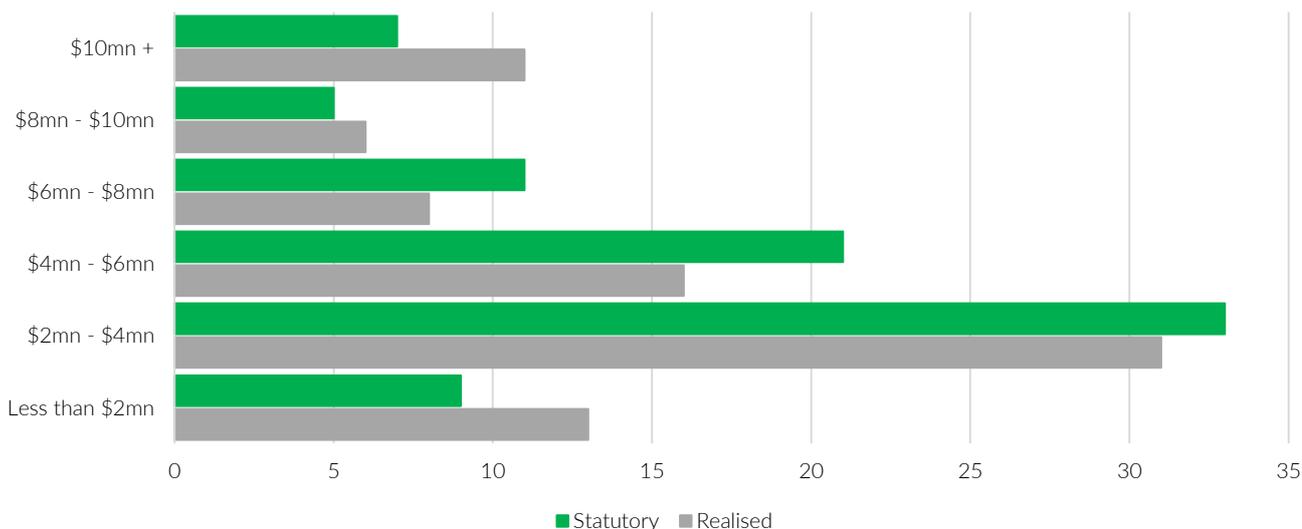
Average and median reported pay in FY15 also fell slightly, although these figures should be less volatile - especially given 65 of the 86 ASX100 CEOs were in both the FY14 and FY15 samples.<sup>12</sup> This is because most ASX100 companies allocate equity incentives to management that are expensed, regardless of the actual vesting outcome, based on their 'fair value' at grant, amortised over the vesting period. This smooths reported pay outcomes, and is evident in the similarity in reported pay outcomes in FY15 to FY14 and prior years.

Graph 1 overleaf, which shows the distribution of realised and reported pay in FY15 for ASX100 CEOs, reiterates the findings of prior studies - that is, while realised pay may differ from reported pay, the actual difference across a group of executives is not that significant. The realised pay group has more outliers at the top and bottom ends than the reported pay group, but otherwise has a similar distribution of outcomes.

<sup>11</sup> Average realised pay for FY14 has been restated to correct an error in the realised pay for Macquarie CEO Nicholas Moore - his realised pay in FY14 was \$9.97m, not the \$11.41m disclosed last year; it has also been restated to reclassify earnings on restricted profit share amounts at MQG into realised pay; as well as reclassification of items at Harvey Norman, Stockland, Spark Infrastructure and Challenger.

<sup>12</sup> Full data on pay outcomes in FY14 and FY15 for this incumbent group, and for the S&P/ASX101-200 incumbent group, are available in Appendix 5.

Graph 1: ASX100 CEO realised and reported pay distribution for FY15



In FY15, as in FY14, the highest realised pay outcomes for ASX100 CEOs were significantly higher than reported pay outcomes. The fifth highest paid CEO, on a realised pay basis in FY15, was James Hardie’s Louis Gries (\$15.49m) (the FY14 cut-off was \$15.62m), while the cut-off for the five highest-paid CEOs on a reported basis was \$10.84m (ANZ’s now former CEO Mike Smith), similar to the FY14 cut-off at \$10.44m (which was also Mike Smith).

In FY15, the highest-paid CEOs on a realised pay basis were the co-CEOs of Westfield Corp, Steven and Peter Lowy, who in AUD realised \$24.75m against reported pay of \$21.71m.<sup>13</sup> Former Westfield CFO, and now Scentre Group CEO, Peter Allen also featured on the high realised pay list. His realised pay of \$17.86m (Table 4) was mostly due to a large grant of equity made in 2011 when he was CFO of Westfield; this allocation had a value of \$11.1m when it vested with Allen, based on continued service because Scentre became the Australasian arm of the Westfield empire following a group restructuring.

The highest paid individual on a realised pay basis was Seek CEO Andrew Bassat, who realised \$19.39m chiefly from the exercise of 1.38 million options, granted in November 2011 and December 2012 prior to a significant increase in Seek’s share price. Gains on option exercises also saw Andrew Bassat feature in the top 10 realised pay list in FY14 when he realised \$17.95m on exercising options; as in FY14 the vesting of equity did little to increase Bassat’s already significant equity stake, given he sold 1.4 million shares during FY15.<sup>14</sup>

Another of the high realised pay CEOs in FY15, Domino’s Pizza’s Don Meij, also received the benefit of exercising options following a period of rapid share-price growth. His realised pay of \$13.72m, shown in the table overleaf, was largely due to Meij exercising options (with an exercise price of \$5.83, reflecting the share price at the time of grant); at the time of exercise the share price was well over \$30.

<sup>13</sup> Both men are now paid in USD; prior to FY15 only Peter Lowy was paid in USD.

<sup>14</sup> Seek Limited, 2015 annual report, p.40.

Table 4: 10 highest-paid CEOs in ASX100 on a realised pay basis in FY15

Rank	CEO (Company)	Realised pay (FY14 rank)	Reported pay (FY15 rank)
1	<b>Peter and Steven Lowy</b> (Westfield Corporation)	\$24,753,949 <sup>15</sup> (2)	\$21,706,636 (1)
2	<b>Andrew Bassat</b> (Seek Limited)	\$19,388,403 <sup>16</sup> (4)	\$4,894,439 (34)
3	<b>Peter Allen</b> (Scentre Group)	\$17,863,624 <sup>17</sup> (N/A)	\$9,238,497 (9)
4	<b>Nicholas Moore</b> (Macquarie Group)	\$16,308,753 (10)	\$16,495,070 (2)
5	<b>Louis Gries</b> (James Hardie Industries)	\$15,492,620 <sup>18</sup> (3)	\$13,523,775 (3)
6	<b>Chris Rex</b> (Ramsay Health Care)	\$15,402,869 <sup>19</sup> (1)	\$11,422,335 (4)
7	<b>Don Meij</b> (Domino's Pizza Enterprises)	\$13,723,591 <sup>20</sup> (N/A)	\$3,115,357 (59)
8	<b>Julian Segal</b> (Caltex Australia)	\$13,416,095 <sup>21</sup> (31)	\$6,381,354 (22)
9	<b>Jamie Odell</b> (Aristocrat Leisure)	\$12,677,649 <sup>22</sup> (27)	\$6,717,731 (17)
10	<b>Brian Benari</b> (Challenger)	\$12,309,238 <sup>23</sup> (22)	\$5,369,491 (32)
Average reported and realised pay for top 10 'realised' CEOs		\$16,133,681 (FY14: \$17,012,321)	\$9,886,469 (FY14: \$9,955,460)

The CEO who recorded the highest realised pay in FY14, Ramsay's Chris Rex, also featured in the 2015 Top 10 - this time at Number 6. The decline in Rex's realised pay from \$30.8m to \$15.4m was due to a large one-off grant of 600,000 zero exercise price options (ZEPOs) vesting in FY14; this was partly offset by continued growth in the Ramsay share price.

The other members of the 2014 Top 10 to make the 2015 group were James Hardie's Louis Gries and Macquarie's Nicholas Moore. Large grants of equity – the James Hardie CEO receives an annual equity incentive allocation with a value of more than US\$9m – coupled with strong performance, ensured Gries' continued position in the Top 10. Macquarie CEO Nicholas Moore saw his realised pay lift more than 60%, to approximately \$16.31m, effectively level with his reported total, as deferred-equity grants from past annual profit shares began to vest in large numbers.

The CEOs who fell out of the Top 10 in FY15 either retired – Westpac's Gail Kelly and Amcor's Ken MacKenzie – or did not enjoy such bountiful vesting of equity incentives in FY15 as in FY14 (MacKenzie, as covered in more detail in the 'Termination Payments' section, reaped more than \$30m on the early performance testing of his unvested equity incentives on retirement).<sup>24</sup> This was the case for Sonic Healthcare CEO Colin Goldschmidt, whose realised pay fell from \$13.44m in FY15 to \$3.64m in FY15.<sup>25</sup> IAG CEO Mike Wilkins in his last full year as CEO still had realised pay of \$10.4m, albeit down from \$11.52m in FY14.<sup>26</sup>

New entrants to the Top 10 – Aristocrat's Jamie Odell, Caltex's Julian Segal and Challenger's Brian Benari – owed their elevation to share price growth and high levels of vesting.

<sup>15</sup> Westfield Corporation, 2015 annual report, pp.25-30.

<sup>16</sup> Seek Limited, 2015 annual report, p.33; change of director's interest notice, 16 January 2015.

<sup>17</sup> Scentre Group, 2015 annual report, pp.22-24.

<sup>18</sup> James Hardie Industries plc, 2015 remuneration report, pp.11.15-16; change of directors' interest notices 11 June 2014, 23 September 2014 and 20 March 2015.

<sup>19</sup> Ramsay Health Care Limited, 2015 annual report, pp.66,68.

<sup>20</sup> Domino's Pizza Enterprises Limited, 2015 annual report, pp.22,25.

<sup>21</sup> Caltex Australia Limited, 2015 annual report, pp.37-38.

<sup>22</sup> Aristocrat Leisure Limited, 2015 annual report, pp.45,48; change of directors' interest notices, 8 October 2014, 8 January 2015 and 6 February 2015.

<sup>23</sup> Challenger Limited, 2015 annual report, pp.29,31-32; change of directors' interest notices 2 September 2014, 22 September 2014 and 6 March 2015.

<sup>24</sup> See pp.29-30 below.

<sup>25</sup> Sonic Healthcare Limited, 2015 annual report, pp.38-40.

<sup>26</sup> Insurance Australia Group Limited, 2015 annual report, p.19.

Table 5: 10 highest-paid CEOs in ASX100 on reported pay basis

Rank	CEO (Company)	Reported pay (FY14 rank)	Realised pay (FY15 rank)
1	<b>Peter and Steven Lowy</b> (Westfield Corporation)	\$21,706,636 (1)	\$24,753,949 (1)
2	<b>Nicholas Moore</b> (Macquarie Group)	\$16,495,070 (2)	\$16,308,753 (4)
3	<b>Louis Gries</b> (James Hardie Industries)	\$13,523,775 (3)	\$15,492,620 (5)
4	<b>Chris Rex</b> (Ramsay Health Care)	\$11,422,335 (9)	\$15,402,869 (6)
5	<b>Mike Smith</b> (ANZ Banking Group)	\$10,842,320 (5)	\$7,881,966 <sup>27</sup> (19)
6	<b>Sam Walsh</b> (Rio Tinto)	\$10,805,090 (4)	\$9,415,498 <sup>28</sup> (13)
7	<b>Peter Coleman</b> (Woodside Petroleum)	\$10,120,316 (7)	\$7,394,753 <sup>29</sup> (20)
8	<b>Richard Goyder</b> (Wesfarmers)	\$9,863,073 (8)	\$7,094,084 <sup>30</sup> (21)
9	<b>Peter Allen</b> (Scentre Group)	\$9,238,497 (N/A)	\$17,863,624 (3)
10	<b>Ian Narev</b> (Commonwealth Bank)	\$8,318,288 (12)	\$8,182,263 <sup>31</sup> (16)
Average reported and realised pay for Top 10 reported CEOs		\$12,233,540 (FY14: \$11,583,188)	\$12,979,080 (FY14: \$14,207,736)

Reported pay disclosures however continue to provide a good guide to highly-paid executives. Of the Top 10 realised pay CEOs in FY15, half also feature in the Top 10 reported pay group (Table 5), and four of the five were the four highest-paid CEOs on a reported basis. Of the other five members of the reported Top 10, all except Wesfarmers' CEO Richard Goyder ranked among the 20 highest-paid CEOs on a realised pay basis in the ASX100. Goyder ranked 21<sup>st</sup>. A testament to the high levels of recurring pay for the 'old guard' bank CEOs was ANZ CEO Mike Smith, who received realised pay of \$7.88m (FY14: \$7.75m) despite having no long-term incentives vest for the second year in succession.

Table 6: ASX100 CEOs with most overstated pay in FY15

Rank	CEO (ASX code)	Realised pay as % of reported pay	Reported pay (FY15 rank)	Realised pay (FY15 rank)
1	<b>Marcelino Fernandez</b> (CIMIC Group)	14.3%	\$3,817,540 (48)	\$544,922 <sup>32</sup> (85)
2	<b>David Bartholomew</b> (Duet Group)	57.9%	\$2,292,583 (72)	\$1,327,037 <sup>33</sup> (81)
3	<b>Alan Joyce</b> (Qantas Airways)	59.9%	\$6,700,000 (18)	\$4,016,000 <sup>34</sup> (41)
4	<b>Ian Morrice</b> (Metcash)	60.7%	\$2,488,339 (71)	\$1,510,526 <sup>35</sup> (78)
5	<b>Grant King</b> (Origin Energy)	63.3%	\$6,580,638 (20)	\$4,168,614 <sup>36</sup> (38)
6	<b>Mark Steinert</b> (Stockland Group)	65.1%	\$4,284,447 (42)	\$2,789,362 <sup>37</sup> (66)
7	<b>Greg Hywood</b> (Fairfax Media)	65.2%	\$2,491,465 (70)	\$1,623,549 <sup>38</sup> (76)
8	<b>Scott Charlton</b> (Transurban Group)	66.6%	\$5,762,397 (27)	\$3,840,224 <sup>39</sup> (45)
9	<b>Mike Kane</b> (Boral)	67.5%	\$5,983,100 (25)	\$4,037,300 <sup>40</sup> (40)

<sup>27</sup> ANZ Group Limited, 2015 annual report, pp.50-52.

<sup>28</sup> Rio Tinto, 2014 annual report, pp.78,97, 2015 annual report, p.100.

<sup>29</sup> Woodside Petroleum Limited, 2015 annual report, pp.62,64,66.

<sup>30</sup> Wesfarmers Limited, 2013 annual report, pp.85-86, 2015 annual report, p.81.

<sup>31</sup> Commonwealth Bank of Australia Limited, 2015 annual report, p.56.

<sup>32</sup> CIMIC Group Limited, 2015 annual report, pp.37-38.

<sup>33</sup> DUET Group, 2015 annual report, p.25.

<sup>34</sup> Qantas Airways Limited, 2015 annual report, pp.34,43.

<sup>35</sup> Metcash Limited, 2015 annual report, pp.43,54.

<sup>36</sup> Origin Energy Limited, 2015 annual report, pp.50-55.

<sup>37</sup> Stockland Group, 2015 annual report, pp.39-40.

<sup>38</sup> Fairfax Media Limited, 2015 annual report, pp.42,44.

<sup>39</sup> Transurban Group, 2015 annual report, pp.39-40.

<sup>40</sup> Boral Limited, 2015 annual report, pp.60-61.

In the FY15 sample, the number of ASX100 CEOs with realised pay more than 30% lower than their reported pay, declined from the FY14 tally of 14 to nine (Table 6). The CEOs in this list owe their inclusion in some cases to timing differences. CEOs with less than four years of service - such as Transurban's Scott Charlton, Boral's Mike Kane and Stockland's Mark Steinert - have generally not had their first long-term incentive allocations as CEO tested for vesting, but have had the expense associated with these allocations accrue in reported pay, as they are expensed prior to the vesting date.

Timing issues also arise at Qantas where, shortly after the end of FY15, CEO Alan Joyce received a significant benefit from FY13 LTI allocations vesting as the Qantas share price recovered. In other cases, where reported pay overstates actual pay, poor performance is usually the explanation - Origin's Grant King has not had any long-term incentives vest for a number of years, but these allocations are still expensed in his reported pay.

The lowest paid CEO on both a realised and reported basis was, as in FY14, Flight Centre founder Graham Turner. He, and embattled Slater & Gordon CEO Andrew Grech, were the only ASX100 CEOs to have reported pay under \$1 million; alongside CIMIC executive chairperson Marcelino Fernandez they were also the only CEOs to have realised pay under \$1 million. Given the value of the cash-settled options held by Fernandez, which were due to vest in 2016, it is unlikely Fernandez will feature among the lowest paid CEOs on a realised pay basis in FY16.

There is only one CEO in the ASX100 sample where realised pay was unable to be calculated: Healthscope's Robert Cooke. The private equity-backed IPO of the group at the start of FY15 crystallised a cash bonus for Cooke of up to \$14.67m, but Cooke was required to allocate a significant but unspecified proportion of this bonus to acquiring shares in the IPO subject to various restrictions. The disclosures in the 2015 annual report, and the prospectus, are not sufficient to allow a realised pay calculation to occur - although all of the 1.8 million shares Cooke held following the IPO were acquired under this arrangement (the shares were to be forfeited if the CEO voluntarily left prior to July 2016).<sup>41</sup>

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<sup>41</sup> Healthscope Limited, 2015 annual report, pp.44-47, and prospectus, 30 June 2014, p.148.

# Realised and reported pay: the ASX101-200

The sharp decline in average realised and reported pay for CEOs of ASX101-200 companies in FY15, relative to FY14, was in part due to the influence of one 'outlier' in the FY14 sample - the now former Nine Entertainment Co. CEO, David Gyngell. If he had repeated his FY14 reported pay total of \$19.59m in FY15 (and his realised pay of \$18.03m), then average reported pay would have fallen 15%, rather than 24%, and realised pay would have fallen 9% rather than 18%.

**Table 7: Realised pay for ASX101-200 CEOs**

	FY15	FY14
Median realised	\$1,413,322	\$1,738,822
Average realised	\$1,885,457	\$2,297,001
Highest	\$12,804,929	\$18,028,506
Lowest	\$379,455	\$357,009

A sizeable decline in the median realised and reported pay outcomes for CEOs of ASX100-200 companies, however, indicates that the decline was not just due to the impact of outliers in FY14. Median reported pay in FY15 fell 14% (and was 7% below the FY13 median) while median realised pay fell almost 19%. The gap between realised and reported pay in the ASX101-200 sample was much smaller than in the ASX100 cohort; median realised pay was only 4% lower than median reported pay while average realised pay was only 6% higher than the reported average.

**Table 8: Average, median and outliers for FY15 ASX101-200 reported CEO pay**

	FY15 decrease	FY15	FY14	FY13	FY12	FY11
Median	-14.0%	\$1,471,321	\$1,711,379	\$1,582,325	\$1,595,404	\$1,518,654
Average	-23.9%	\$1,782,417	\$2,341,142	\$1,749,036	\$1,654,603	\$1,700,321
Highest		\$6,831,204	\$19,588,095	\$5,984,652	\$4,072,000	\$4,924,362
Lowest		\$379,455	-\$386,999	\$369,159	\$448,062	\$365,053

The much lower pay levels of CEOs outside the ASX100 were once again apparent in the FY15 sample. The median realised and reported pay in the ex-100 sample were, respectively, more than 50% and more than 60% lower than in the ASX100; the lowest paid CEO in the ASX101-200 cohort, again ARB's Andrew Brown, had significantly lower pay than the lowest paid ASX100 CEO (Graham Turner, Flight Centre), while the *combined* FY15 pay totals of the co-CEOs of Charter Hall and Village Roadshow were still lower than that for the co-CEOs of Westfield.

The only individual CEO to have an outcome comparable with that of the Top 10 in the ASX100 was Premier Investments' Mark McInnes, whose realised pay outcome of \$10.34m for FY15 reflected high levels of vesting under equity incentives, and the deferred payment of bonuses from FY13 and FY14.

**Table 9: 10 highest-paid CEOs in ASX101-200 on a realised pay basis in FY14**

Rank	CEO (Company)	Realised pay (FY14 rank)	Reported pay (FY15 rank)
1	<b>David Harrison and David Southon</b> (Charter Hall)	\$12,804,929 <sup>42</sup> (5)	\$5,172,089 (3)
2	<b>Mark McInnes</b> (Premier Investments)	\$10,342,000 <sup>43</sup> (2)	\$5,414,850 (2)
3	<b>Graham Burke and Robert Kirby</b> (Village Roadshow)	\$6,020,256 <sup>44</sup> (3)	\$6,831,204 (1)
4	<b>Peter Diplaris</b> (Asaleo Care)	\$4,164,490 <sup>45</sup> (N/A)	\$1,107,624 (49)
5	<b>David Gyngell</b> (Nine Entertainment Co.)	\$3,831,047 <sup>46</sup> (1)	\$4,483,167 (5)
6	<b>Andrew Walsh</b> (Iress)	\$3,385,788 <sup>47</sup> (42)	\$2,526,752 (13)
7	<b>Don Voelte</b> (Seven Group Holdings)	\$3,189,522 <sup>48</sup> (6)	\$5,094,000 (4)
8	<b>Gilman Wong</b> (Sirtex Medical)	\$2,946,137 <sup>49</sup> (28)	\$1,748,159 (25)
9	<b>Geoff Horth</b> (M2 Group)	\$2,929,670 <sup>50</sup> (47)	\$1,319,314 (42)
10	<b>Graeme Hunt</b> (Transfield Services/Broadspectrum)	\$2,740,839 <sup>51</sup> (22)	\$3,711,076 (6)
Average realised and reported pay for top 10 'realised' 101-200 CEOs		\$5,235,468 (FY14: \$6,337,927)	\$3,740,832 (FY14: \$5,480,816)

At Charter Hall, the exercise of options and high levels of equity incentives vesting saw the co-CEOs reap collective realised pay of \$12.8m. Rewards from vested equity incentives also saw the CEO of newly-listed Asaleo, Peter Diplaris, the CEO of Iress, Andrew Walsh, the CEO of M2 Group, Geoff Horth and Sirtex's Gilman Wong enter the Top 10.

The significant decline in his FY15 realised pay did not stop David Gyngell from again featuring in the 10 highest-paid ASX101-200 CEOs on a realised and reported pay basis. This was largely due to his high fixed pay; generous salaries also allowed Seven Group's now former CEO, Don Voelte, to again appear in the realised and reported pay Top 10, alongside the Village Roadshow co-CEOs whose combined fixed pay continues to be well over \$5m. Seven West's Tim Worner appeared in both the FY14 and FY15 reported pay Top 10s, largely due to fixed pay of more than \$2.5m. These high salaries partly explained the fact that five of the FY14 realised pay Top 10 again made the FY15 list, while six of the FY14 reported Top 10 made the FY15 list.

**Table 10: 10 highest-paid CEOs in ASX101-200 on a reported pay basis in FY15**

Rank	CEO (Company)	Reported pay (FY14 rank)	Realised pay (FY15 rank)
1	<b>Graham Burke and Robert Kirby</b> (Village Roadshow)	\$6,831,204 (3)	\$6,020,256 (3)
2	<b>Mark McInnes</b> (Premier Investments)	\$5,414,850 (7)	\$10,342,000 (2)
3	<b>David Harrison and David Southon</b> (Charter Hall)	\$5,172,089 (6)	\$12,804,929 (1)
4	<b>Don Voelte</b> (Seven Group Holdings)	\$5,094,000 (5)	\$3,189,522 (7)
5	<b>David Gyngell</b> (Nine Entertainment Co.)	\$4,483,167 (1)	\$3,831,047 (5)
6	<b>Graeme Hunt</b> (Transfield Services/Broadspectrum)	\$3,711,076 (13)	\$2,740,839 (10)
7	<b>Maurice Brand</b> (Liquefied Natural Gas)	\$3,437,481 (N/A)	\$974,677 <sup>52</sup> (48)
8	<b>Bronte Howson</b> (Automotive Holdings Group)	\$3,184,971 (22)	\$2,553,274 <sup>53</sup> (13)
9	<b>Tim Worner</b> (Seven West Media)	\$3,044,851 (10)	\$2,676,046 <sup>54</sup> (12)
10	<b>Mark Hooper</b> (Sigma Pharmaceuticals)	\$2,826,872 (18)	\$1,988,405 <sup>55</sup> (21)
Average reported and realised pay for top 10 reported 101-200 CEOs		\$4,320,056 (FY14: \$6,863,435)	\$4,712,099 (FY14: \$5,592,149)

<sup>42</sup> Charter Hall Group, 2015 annual report, pp.3a8-39, Change of directors' interest notices, 11 September 2014.

<sup>43</sup> Premier Investments Limited, 2015 annual report, p.29.

<sup>44</sup> Village Roadshow Limited, 2015 annual report, p. 20.

<sup>45</sup> Asaleo Care Limited, 2015 annual report, pp. 38-39.

<sup>46</sup> Nine Entertainment Co. Holdings Limited, 2015 annual report, pp. 40,43.

<sup>47</sup> Iress Limited, 2015 annual report, pp.35,37.

<sup>48</sup> Seven Group Holdings Limited, 2015 annual report, pp. 67-68,72-73.

<sup>49</sup> Sirtex Medical Limited, 2015 annual report, p.41; change of director's interest notice, 10 July 2014.

<sup>50</sup> M2 Group Limited, 2015 annual report, pp.31,35.

<sup>51</sup> Transfield Services Limited, 2015 annual report, pp.55-56.

<sup>52</sup> Liquefied Natural Gas Limited, 2015 annual report, pp.21-22.

<sup>53</sup> Automotive Holdings Group Limited, 2015 annual report, pp.59,63,67.

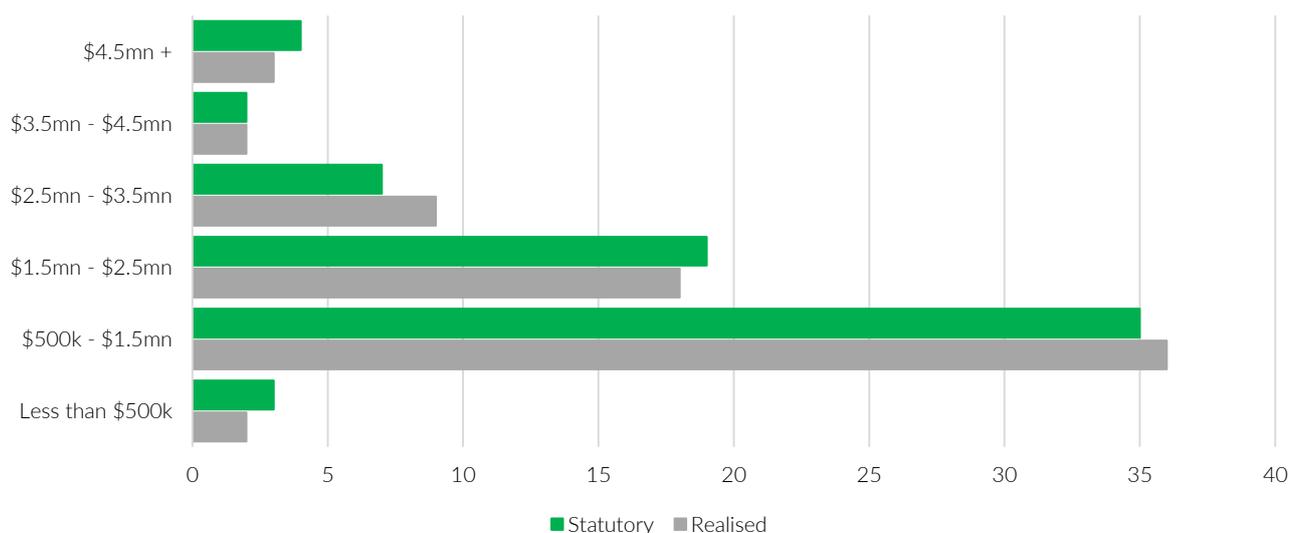
<sup>54</sup> Seven West Media Limited, 2015 annual report, pp.73,79. The 2015 annual report discloses the total reported pay for the CEO as being \$3,134,584 but the sum of the numbers disclosed is \$3,044,851.

<sup>55</sup> Sigma Pharmaceuticals Limited, 2015 financial report, pp.23,25 and change of director's interest notice, 21 July 2014.

The strong correlation between high reported pay and high realised pay is again apparent in Table 10. Of the Top 10 on a reported basis, all (with the exceptions of Sigma's Mark Hooper and LNG's Maurice Brand) were among the 20 highest-paid CEOs on a realised basis - and Hooper ranked 21<sup>st</sup> on realised pay. This is generally because high reported pay reflects high cash fixed pay and bonus payments; the exceptions are for companies with a very high weighting to equity incentives in management pay, like LNG where realised and reported pay can vary widely.

The distribution of realised pay outcomes for the ASX101-200 CEO cohort relative to reported pay (Graph 2), is consistent with that of the ASX100 in that it shows realised and reported pay to have a similar distribution. Unlike the ASX100 group however, the ASX101-200 cohort has fewer outliers at the high and low realised pay ends of the distribution.

**Graph 2: ASX101-200 CEO realised and reported pay distribution for FY15**



The CEOs whose reported pay inflated their realised pay by more than 30% in the ASX101-200 group are shown in Table 11. The CEO with the most overstated pay by some distance, was LNG's Brand, owing to very large equity allocations being expensed in FY15, but not vesting. Most other CEOs in the group had reported pay around the median of the sample and limited, or no, equity vesting in FY15; the exception was former Seven Group CEO Don Voelte, whose FY15 reported pay included expenses from two large allocations of cash-settled options which provided no value during FY15.

Table 11: ASX101-200 CEOs with most overstated pay in FY15

Rank	CEO (Company)	Realised pay as % of reported pay	Reported pay (FY15 rank)	Realised pay (FY15 rank)
1	<b>Maurice Brand</b> (Liquefied Natural Gas)	28.4%	\$3,437,481 (7)	\$974,677 (48)
2	<b>Scott Richards</b> (Mayne Pharma Group)	56.1%	\$1,273,159 (44)	\$714,849 <sup>56</sup> (62)
3	<b>Paul Thompson</b> (Select Harvests)	62.2%	\$1,183,307 (46)	\$736,450 <sup>57</sup> (60)
4	<b>Don Voelte</b> (Seven Group Holdings)	62.6%	\$5,094,000 (5)	\$3,189,522 (7)
5	<b>Anthony Mellows</b> (SCA Property Group)	64.1%	\$1,530,666 (32)	\$980,566 <sup>58</sup> (46)
6	<b>Geoff Grady</b> (Aveo Group)	65%	\$1,494,869(33)	\$971,411 <sup>59</sup> (48)
7	<b>Ian Davies</b> (Senex Energy)	67.8%	\$1,585,935 (29)	\$1,075,955 <sup>60</sup> (43)

<sup>56</sup> Mayne Pharma Limited, 2015 annual report, pp.26,28

<sup>57</sup> Select Harvests Limited, 2015 annual report, pp.29,31. The annual report states 300,000 ZEPOs vested 30 June 2015 but as these were subject to EPS hurdles assessed on the basis of FY15 EPS they could not have formally vested as at 30 June.

<sup>58</sup> Shopping Centres Australasia Property Group, 2015 annual report, pp.32-33.

<sup>59</sup> Aveo Group, 2015 annual report, pp.28,31.

<sup>60</sup> Senex Energy Limited, 2015 annual report, pp.46-47 and change of director's interest notice, 1 July 2014.

# CEO fixed pay in FY15

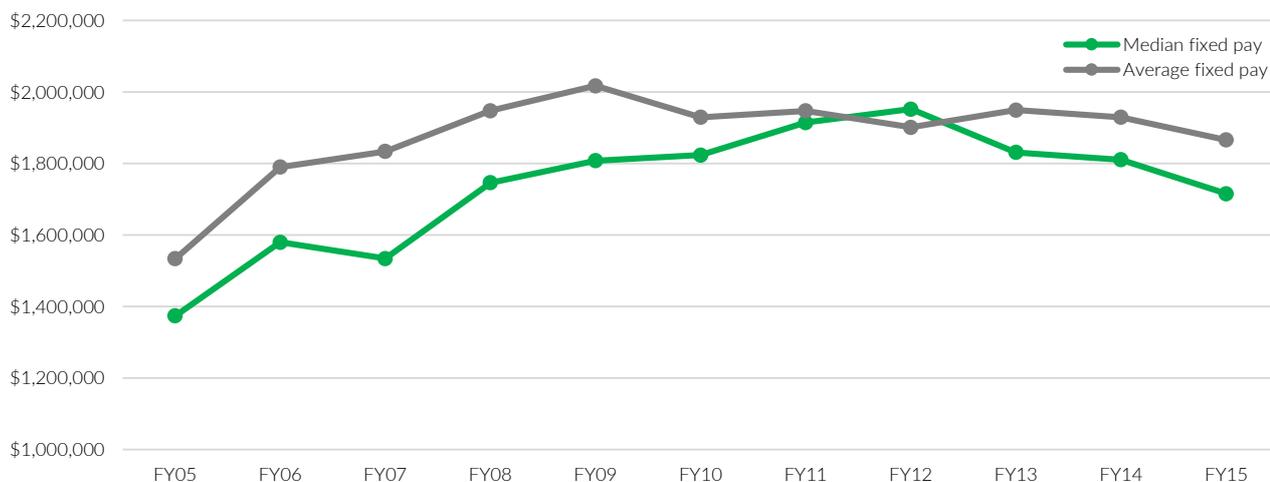
The decline in median and average fixed pay for CEOs of ASX100 companies, which began in FY13, continued in FY15 - while average and median fixed pay also declined in the ASX101-200 cohort.

Table 12: Fixed pay, ASX100<sup>61</sup>

	FY15	FY14	FY10	FY05	One-year increase	Five-year p.a. increase	10-year p.a. increase
Median	\$1,715,087	\$1,810,000	\$1,823,168	\$1,373,437	-5.2%	-1.2%	2.2%
Average	\$1,865,484	\$1,929,122 <sup>62</sup>	\$1,929,062	\$1,533,231	-3.3%	-0.7%	2%
Highest	\$6,979,057	\$5,385,916	\$8,964,902	\$8,789,826			
Lowest	\$278,238	\$343,573	\$119,057	\$494,531			

As shown in Table 12, ASX100 CEO fixed pay fell in FY15 relative to FY14, and over the five years to FY15 – median and average CEO fixed pay in FY15 was the lowest recorded since FY07. Graph 3 shows both the acceleration in ASX100 CEO fixed pay in the years prior to FY09, and the reversal of some of these increases over the next six years as boards have kept fixed pay increases minimal and hired new CEOs on much lower salaries. The FY15 median CEO fixed pay is more than 12% below the FY12 peak of \$1.95m while the FY15 average is 7.5% lower than the FY09 peak of \$2.02m.

Graph 3: ASX100 average and median CEO fixed pay FY05 – FY15



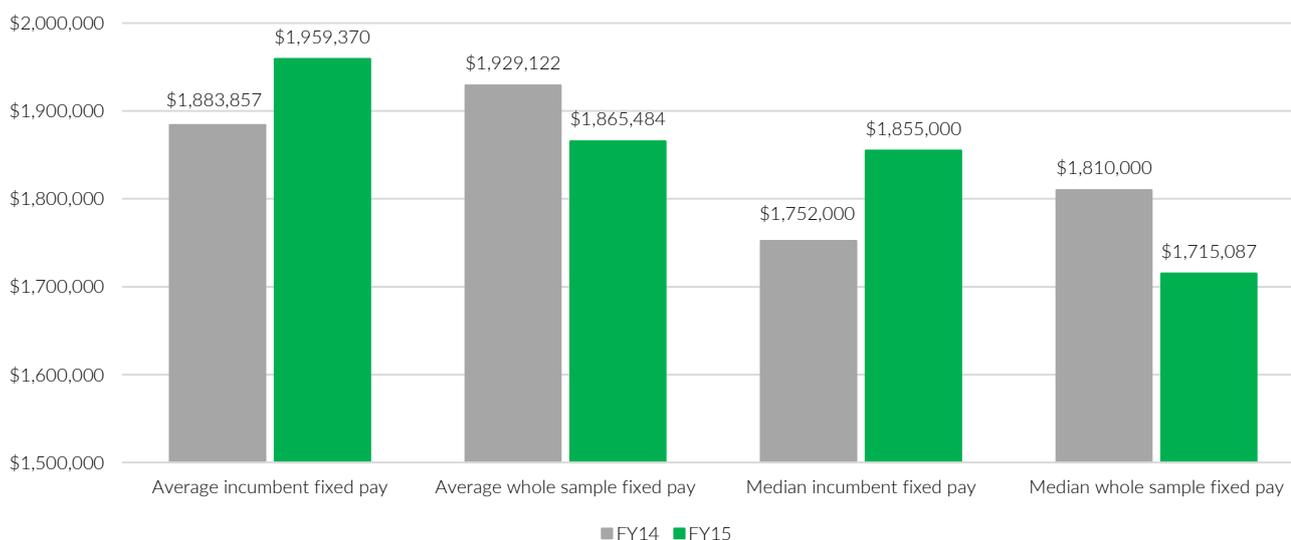
<sup>61</sup> Full fixed pay data over the history of the longitudinal study is disclosed in Appendix 1.

<sup>62</sup> Average fixed pay includes a termination impact for JBH's Terry Smart (\$1.32million) and Newcrest's Greg Robinson (\$1.62million). If these are excluded the FY14 average was \$1,893,725.

Fixed pay for ASX100 CEOs continues to fall relative to inflation and wages: in the 12 months to 30 June 2015 average CEO pay fell 3.3%, while the CPI rose 1.5% and average weekly adult ordinary time earnings rose 2% in the 12 months to May 2015. Over the 10 years to 30 June 2015, average CEO fixed pay has risen 21.7% compared to wages rising 49.2% and inflation 30.1%.<sup>63</sup>

Graph 4 below shows the decline in CEO fixed pay in FY15 for the ASX100 cohort was due to new entrants to the sample having lower pay levels than those they replaced. The 65 incumbent CEOs – those in the ASX100 sample in both FY14 and FY15 – saw modest increases in fixed pay across the board and the average and median fixed pay of this group were substantially higher than the sample as a whole.

**Graph 4: Incumbent ASX100 CEO fixed pay FY14 and FY15 relative to ASX100 sample**



The highest paid CEO in the sample was again the combined CEO role at Westfield (Peter and Steven Lowy), with the increase over FY14 largely reflecting the conversion of Steven Lowy’s package to USD, and the impact of the declining AUD to USD exchange rate.<sup>64</sup> The highest paid individual CEO was ANZ’s Mike Smith at \$3.68m, just ahead of the FY14 highest fixed pay for an individual, Wesfarmers’ Richard Goyder. The impact of personnel changes on average fixed pay levels is shown in the package for new ANZ CEO Shayne Elliott whose fixed pay of \$2.1m as CEO will be more than 40% below that for Smith in FY15.<sup>65</sup> The lowest paid CEO on a fixed pay basis was again Flight Centre’s Graham Turner.

The impact of perks outside of fixed pay also saw a new entrant in FY15 to the select group of CEOs receiving fixed pay of more than \$3m. The FY15 group of six (including the Lowy brothers, down from seven in FY14) included Brambles’ CEO Tom Gorman, whose fixed pay of \$2.62m was boosted by close to \$400,000 in various ‘non-monetary benefits’ including travel for his spouse.<sup>66</sup>

<sup>63</sup> Inflation is measured using the all capital cities all groups consumer price index as at June for each year from the Australian Bureau of Statistics (ABS) catalogue number 6401.0. Earnings are measured using the average weekly adult ordinary time, full time earnings as at May of each year from ABS catalogue number 6302.0.

<sup>64</sup> Each Westfield co-CEO now receives fixed pay of US\$2.5million per annum.

<sup>65</sup> ANZ Group Limited, ASX announcement, ‘Shayne Elliott to succeed Mike Smith as ANZ CEO’, 1 October 2015.

<sup>66</sup> Brambles Limited, 2015 annual report, p.22.

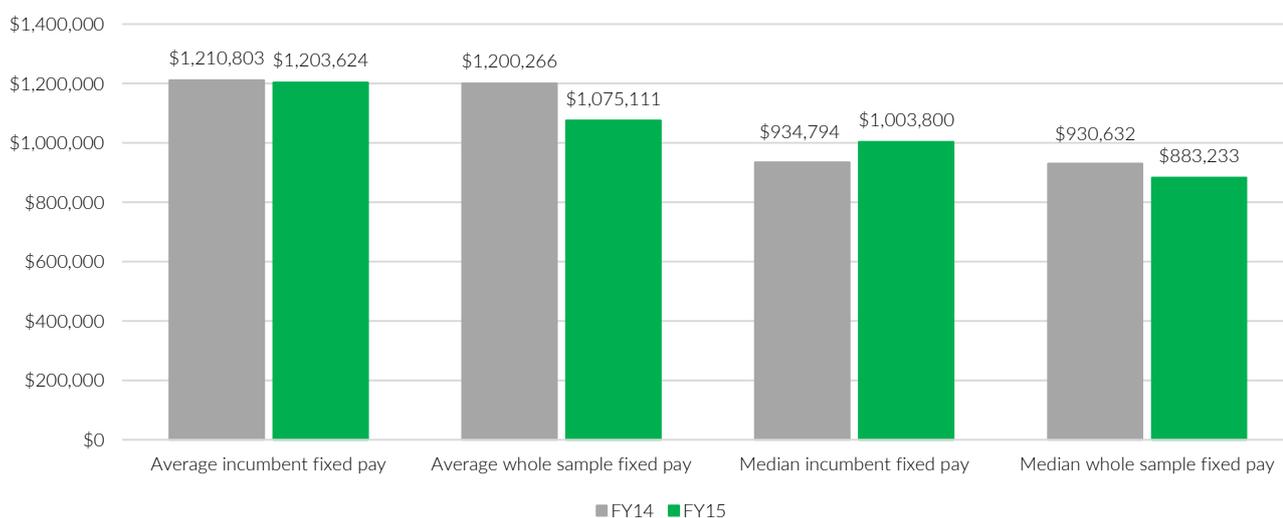
Table 13: Fixed pay, ASX101-200 CEOs FY11–FY15

	Increase in FY15	FY15	FY14	FY13	FY12	FY11
Median	-5.1%	\$883,233	\$930,632	\$900,000	\$875,000	\$823,493
Average	-10.5%	\$1,075,111	\$1,200,266 <sup>67</sup>	\$1,066,452 <sup>68</sup>	\$973,576	\$930,358
Highest		\$5,559,838	\$5,718,958	\$3,935,131 <sup>69</sup>	\$3,003,925	\$3,007,279
Lowest		\$379,455	\$357,009	\$305,799	\$41,221	\$280,351

The ex-100 CEO sample saw fixed pay decline more sharply in FY15 than the ASX100 sample. This decline was driven chiefly by changes to the sample, with the ASX101-200 group having a much smaller 'incumbency effect' than the ASX100. There were only 47 CEOs in office as an ASX101-200 CEO for both FY14 and FY15 (67% of the sample), compared to 76% of the ASX100 sample. As in prior years, the small number of incumbent CEOs in the ASX101-200 – just over half the FY14 sample – partly reflects changes in the composition of the Index.

Consistent with the large company group, incumbent ASX101-200 CEOs saw their average and median fixed pay stay steady, or increase, in FY15 and enjoyed significantly higher fixed pay as a group than the sample as a whole.

Graph 5: Incumbent ASX101-200 CEO fixed pay FY14 and FY15 relative to whole sample



The highest paid CEO in the ASX101-200 was again a co-CEO arrangement, with the mantle taken again by Village Roadshow's Graham Burke and Robert Kirby. The only individual CEO to receive fixed pay of more than \$3m was, again, former Seven Group CEO Don Voelte, although both Kirby and Burke had individual fixed pay of almost \$2.8m. The lowest fixed pay for a 101-200 CEO was again Andrew Brown of ARB Corp who receives no incentive pay from the company in which he is a significant shareholder.

In the FY15 sample outside of Voelte and Burke/Kirby, only three CEOs received fixed pay of \$2million or more: Seven West's Tim Worner, the co-CEOs of Charter Hall (\$2.32m on a combined basis) and Premier Investments' Mark McInnes. By contrast, more than half – 41 of 70 – received fixed pay of less than \$1m; among the ASX100 cohort only eight of 86 received fixed pay of less than \$1m in FY15, and only 30 received less than \$1.5m.

<sup>67</sup> Average fixed pay includes a termination impact for Lynas Corp's Eric Noyrez of \$1.24million and Pacific Brands' John Pollaers \$1.4m. If these are removed the average fixed pay for FY14 was \$1,165,077.

<sup>68</sup> Average fixed pay includes a 'termination effect' for Seven Group – see footnote below – and for GUD CEO Ian Campbell who departed shortly after FY13 year-end. If Campbell's termination payment of \$1.21m and the payment to Peter Gammell are excluded, average fixed pay was \$1,029,523.

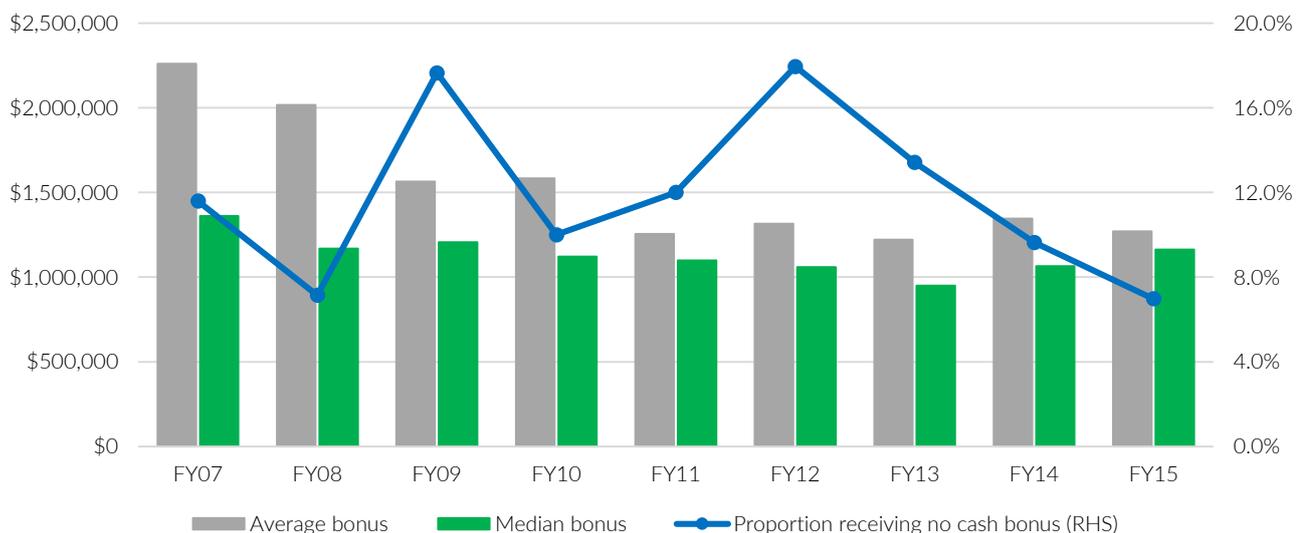
<sup>69</sup> This relates to former Seven Group CEO Peter Gammell and includes \$926,398 in termination payments payable on him ceasing employment as at 30 June 2013. Excluding these payments Gammell had the highest fixed pay in the 101-200 sample.

# CEO bonuses in FY15

In a year where average and median fixed pay for ASX100 CEOs declined, bonuses remained persistent.

A higher proportion of ASX100 CEOs received a bonus in FY15 than in any year since FY08. FY15 continued a trend in evidence since FY12 of bonuses becoming more likely to be paid.

Graph 6: ASX100 CEO bonus outcomes FY07 – FY15



Of the six CEOs in the sample who received no bonus in FY15, four did not receive a bonus for performance reasons: Fairfax Media’s Greg Hywood, Metcash’s Ian Morrice, WorleyParsons’ Andrew Wood and Woolworths’ outgoing CEO Grant O’Brien.<sup>70</sup> The other two – Seek’s Bassat and CIMIC’s Fernandez – were not eligible for an annual bonus in FY15. The lowest bonus actually paid was \$35,000 to Slater & Gordon CEO Andrew Grech.

Table 14: Cash bonuses, ASX100 for FY15<sup>71</sup>

	FY15	FY14	FY10	FY05	One-year increase	Five-year p.a. increase	10-year p.a. increase
Median	\$1,162,488	\$1,065,009	\$1,122,000	\$1,000,000	9.2%	0.7%	1.5%
Average	\$1,271,251	\$1,345,622	\$1,584,120	\$1,364,295	-5.5%	-4.3%	-0.7%
Highest	\$6,617,549	\$7,766,336	\$10,298,586	\$13,892,889			
Lowest	\$35,000	\$152,000	\$13,642	\$75,000			

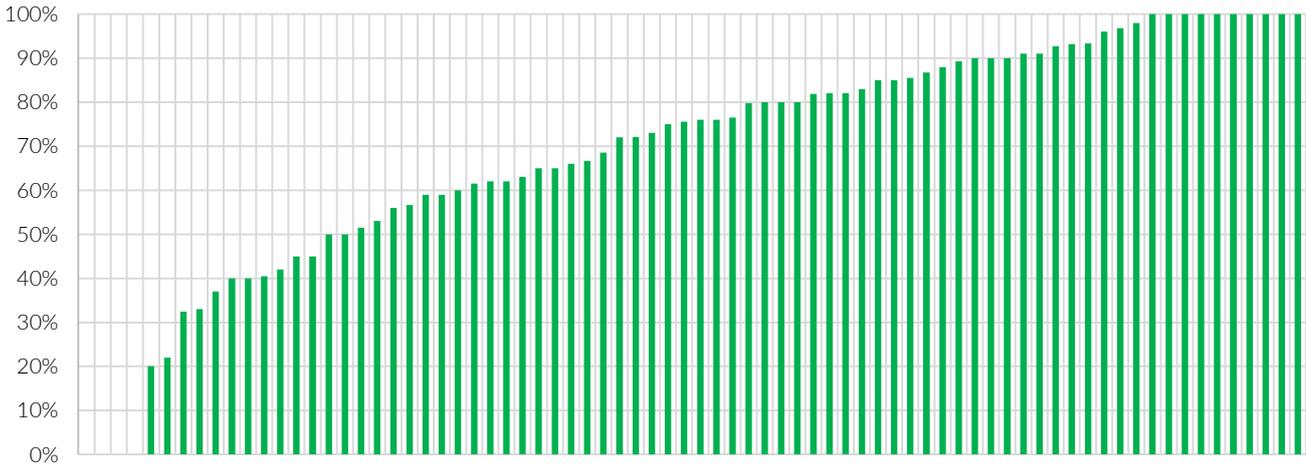
The FY15 study, for the first time, includes an analysis of the proportion of maximum bonus paid to sample company CEOs. This data is not always available either because the companies and their audit firms ignore the requirement to disclose this information or because, like Goodman Group, Challenger and Macquarie, the company operates an uncapped annual incentive scheme.<sup>72</sup> Across the 84 ASX100 sample companies operating a bonus scheme for executives, 76 disclosed this information with the distribution of outcomes shown overleaf.

<sup>70</sup> Fairfax Media Limited, 2015 annual report p.41; Metcash Limited, 2015 annual report, p.49; WorleyParsons Limited, 2015 annual report, p.52; Woolworths Limited, 2015 annual report, p.36.

<sup>71</sup> Full bonus data over the history of the longitudinal study is disclosed in Appendix 2. The 2004 figures exclude News Corporation; data inclusive of News is available in Appendix 2. Bonus calculations are conditional on a bonus being paid.

<sup>72</sup> The relevant requirement is contained within *Corporations Regulation* 2M.3.03 item 12 and requires disclosure of “the percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year”.

Graph 7: Distribution of bonus outcomes for ASX100 CEOs as a % of maximum



Half of ASX100 CEOs received a bonus of 76% of maximum or more: the average bonus, as a proportion of maximum, across this group was 69.2% and the median 75.8%. In fact, more ASX100 CEOs - 10 - received maximum bonus than received no bonus at all.

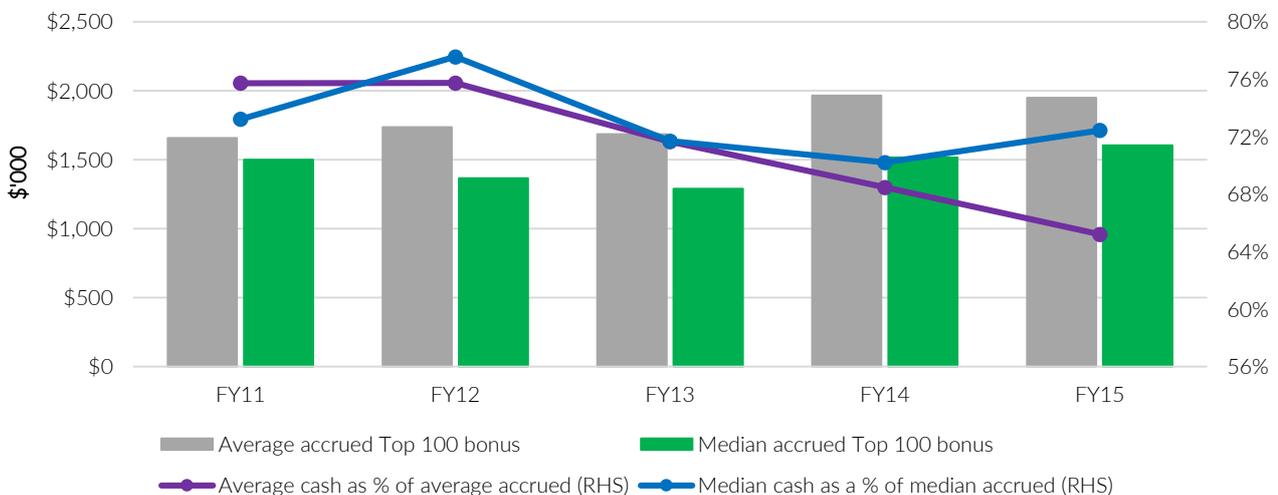
The highest bonus in the ASX100 was again that for the co-CEOs of Westfield; the highest cash bonus awarded to an individual CEO was \$4.77m for Macquarie’s Nicholas Moore, who also had the largest bonus accrued at \$15.91m (Macquarie refers to this as the annual profit share allocation).

The rise of deferral of annual bonuses, mostly into equity, has to some extent helped camouflage bonus outcomes given companies must disclose only the proportion of bonus paid in cash subject to no risk of forfeiture in their reported pay disclosures. Since FY11, therefore, the CEO pay study has included data on accrued, as well as ‘paid’, bonuses.

Graph 8 below shows the relationship between bonuses accrued, including any component deferred relative to bonuses paid over the past five years. The increased gap between bonuses paid and accrued between FY11 and FY15 shows the increase in bonus deferral over this period with 49 of the 80 bonuses accrued for sample CEOs having a deferred element in FY15.

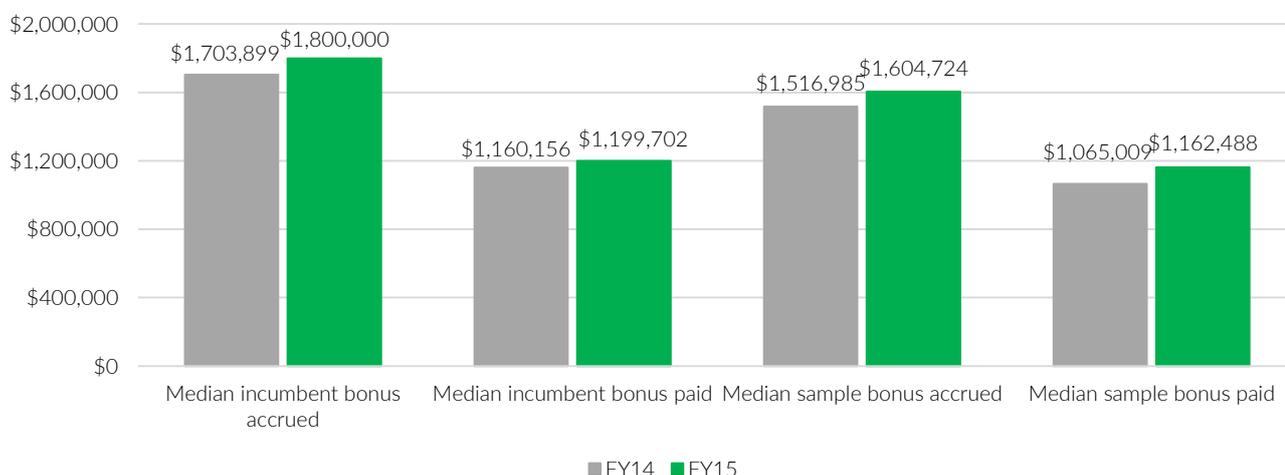
It also shows that accrued bonuses have actually risen since FY11: the average bonus accrued has risen 17.6% from FY11 to \$1.95m in FY15 (although it fell by just under 1% relative to FY14). The median bonus accrued has risen 7% since FY11 to \$1.6m, with a 5.8% increase over FY14.

Graph 8: Accrued bonuses relative to cash bonuses for ASX100



The impact of incumbency on CEO pay levels is also apparent when it comes to bonuses. Incumbent ASX100 CEOs, in both FY14 and FY15, generally had higher bonuses than the sample as a whole. Higher proportions of them also deferred, given median accrued bonuses for incumbent CEOs are substantially higher, at 12%, than for the sample as a whole at \$1.8m. Of the 65 incumbent CEOs, 64 were eligible to receive a bonus, and 61 bonuses were paid; the only non-incumbent CEO to receive no bonus was Metcash's Ian Morrice, who became CEO during FY14.

**Graph 9: Incumbent bonuses accrued and paid relative to the sample as a whole**



The gap between the pay levels of ASX100 CEOs and those of the ASX200 cohort is even greater when it comes to annual bonuses. Bonuses awarded are substantially lower for CEOs in the ASX101-200, even relative to fixed pay. The median bonus for an ASX101-200 CEO in FY15 was just 28% of the ASX100 median, while the median fixed pay for an ASX101-200 CEO was 51% of the ASX100 median. Bonuses for this cohort are also clearly far more at risk than in ASX100 companies, with a third of the sample receiving no bonus in FY15. For the five years of data available, the proportion receiving no bonus has never been lower than 21%, while over the past nine years the proportion of ASX100 CEOs receiving no bonus has never been above 20%.

**Table 15: Cash bonuses, ASX101-200 for FY15**

	Increase in FY15	FY15	FY14	FY13	FY12	FY11
Median	-1.6%	\$329,253	\$334,500	\$350,000	\$336,500	\$376,915
Average	-16.9%	\$505,987	\$609,010	\$418,911	\$402,025	\$421,576
Highest		\$3,100,000	\$5,169,183	\$1,166,229	\$1,156,000	\$1,500,000
Lowest		\$85,000	\$52,275	\$32,500	\$50,000	\$26,250
Proportion receiving no bonus		33%	21%	33%	26%	24%

In FY15, 47 of the 70 CEOs in the ex-100 cohort received a bonus, including Karoon Gas's Bob Hosking who did not receive a cash bonus, but was awarded a bonus for FY15 entirely in equity.<sup>73</sup> The median bonus was effectively unchanged from FY14, although the average declined 16.9% largely due to the impact of large one-off bonuses paid to CEOs of newly-listed companies in FY14. The highest bonus in FY15, \$3.1m to Premier Investments' Mark McInnes, was actually comprised of bonuses awarded in FY13 and FY14 for which payment was deferred until FY15. Only four of the ex-100 sample received a bonus of more than \$1m, with the others being Automotive Holdings' Bronte Howson, the Charter Hall co-CEOs and Qube Logistics' Maurice James.<sup>74</sup>

<sup>73</sup> Karoon Gas Australia Limited, 2015 notice of meeting, pp.14-15.

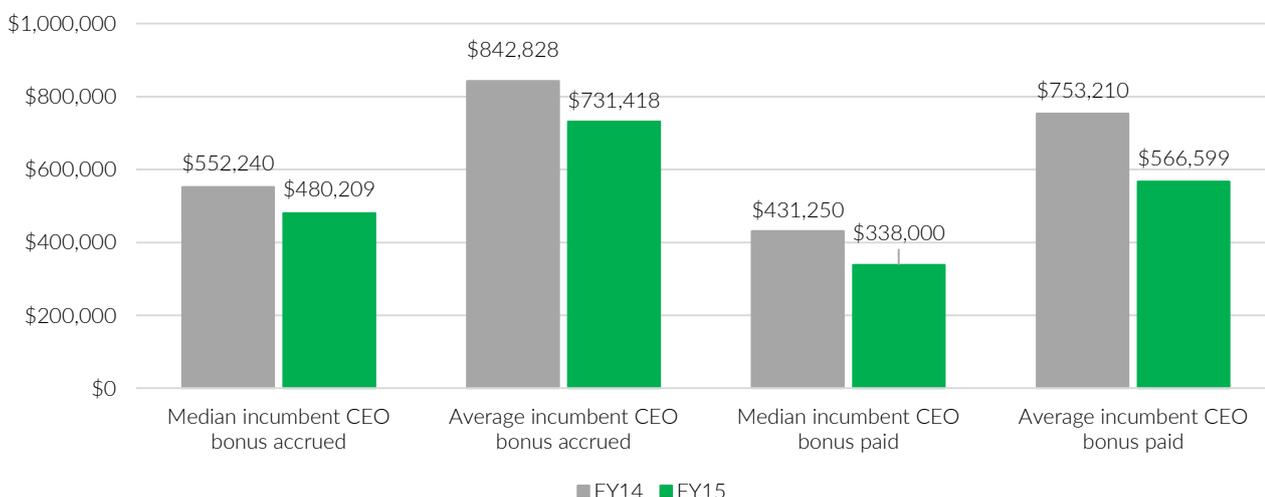
<sup>74</sup> Qube Holdings Limited, 2015 annual report, p.44.

The FY15 sample also included a CEO whose bonus was disclosed as negative, with Mineral Resources reporting a -\$266,000 bonus outcome for Chris Ellison. The negative figure, excluded from bonus calculations above, arose because Ellison repaid in FY15, as a result of the falling iron ore price's effects on the company's fortunes, his FY14 bonus.<sup>75</sup>

Bonus deferral continued to be less common among the ASX101-200 sample than in the ASX100. Only 13 of the 47 CEOs had a proportion of their bonus deferred in FY15, although this was a higher proportion than in FY14 and FY13 when just under a quarter had a proportion of their annual bonus deferred. Accrued bonuses for ex-100 CEOs in FY15 declined in line with the decline in cash bonuses, with the average falling 7.1% to \$623,277 (FY14: \$671,250) and the median 1.4% to \$375,000 (FY14: \$380,150).

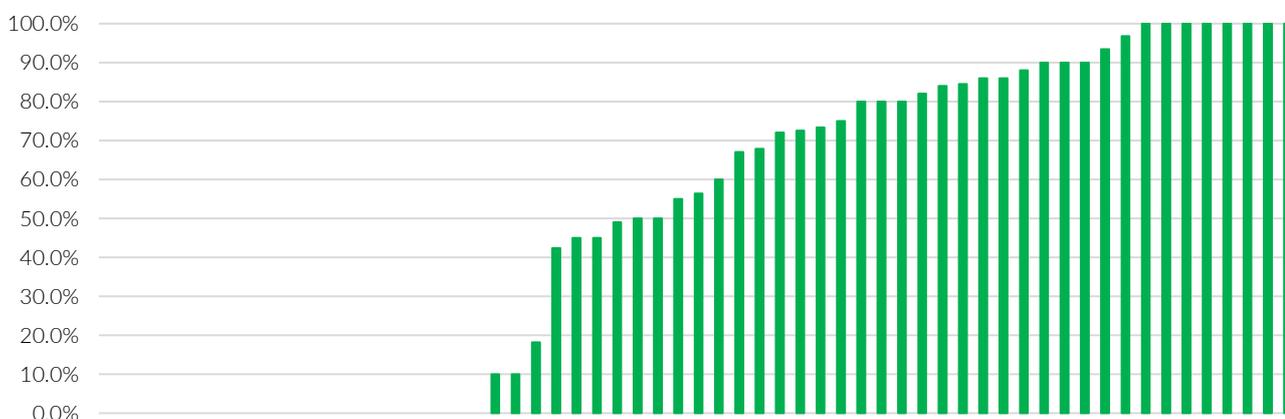
Incumbent CEOs in the ex-100 sample experienced larger declines in bonuses accrued and paid than the sample as a whole, and their median and average outcomes were not radically different to the sample as a whole. Of the 47 incumbent CEOs in both the FY14 and FY15 ASX101-200 sample, 15 received no bonus in FY15, up from eight in FY14. The median bonus accrued for an incumbent CEO declined 13% in FY15, compared to a 1.4% decline for the sample as a whole, while the median bonus paid declined 21.6%, compared to a 1.6% decline across the sample.

**Graph 10: Incumbent ASX101-200 bonuses paid and accrued**



The greater sensitivity of bonuses to performance in ASX101-200 companies, relative to the ASX100, is also apparent from the data on the proportion of maximum bonus paid. For the 59 CEOs where information is available, the median bonus as a proportion of maximum awarded was 56.4%, and the average 49%. Only 37% of the group received 76%, or more, of maximum bonus compared with half of the ASX100 sample.

**Graph 11: Distribution of bonus outcomes for ASX101-200 CEOs as a % of maximum**



<sup>75</sup> Mineral Resources Limited, 2015 annual report, p.36.

# CEO cash pay

Cash pay was flat for CEOs of ASX100 companies in FY15, and fell sharply in the ASX101-200 cohort. This outcome reflected the significant decline in bonuses paid in the ex-100 cohort and the combination of declining fixed pay in the ASX100 sample, partially offset by more CEOs receiving a bonus than in prior years.<sup>76</sup>

**Table 16: Cash pay, ASX100<sup>77</sup>**

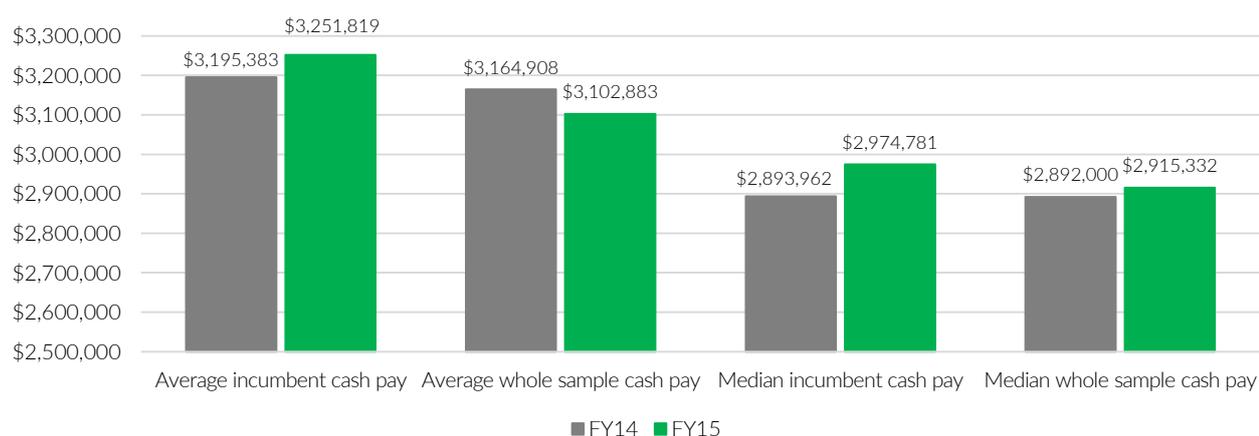
	FY15	FY14 <sup>78</sup>	FY10	FY05	One-year increase	Five-year p.a. increase	10-year p.a. increase
Median	\$2,915,332	\$2,892,000	\$2,785,900	\$2,134,534	1.1%	0.9%	3.2%
Average	\$3,102,883 <sup>79</sup>	\$3,164,908	\$3,354,770	\$2,832,457	-1.6%	-1.5%	0.9%
Highest	\$13,596,065	\$13,152,252	\$15,964,902	\$14,653,688			
Lowest	\$518,238	\$657,073	\$132,699	\$581,750			

Median cash pay rose 1.1% in FY15, to the second highest median in the history of the longitudinal study at \$2.92m, behind only the FY11 median of \$2.95m. Average cash pay declined slightly and remains well below the heights of \$3.8m achieved in FY07 and FY08 when a handful of CEOs with high cash bonuses (including at Macquarie and Babcock and Brown) had a significant impact on the average.

The highest cash pay in the ASX100 was for Westfield's Lowy brothers; if they are excluded, the highest was Macquarie CEO Nicholas Moore at \$6.89m. The Lowys – who each received cash pay above \$6.5m – and Moore were the only CEOs to receive cash pay in excess of \$6m in FY15. Three CEOs received cash pay under \$1m – Flight Centre's Turner, CIMIC's Fernandez and Slater & Gordon's Grech.

The impact of changes in personnel on overall pay levels across the ASX100 sample is also shown by the differences between cash pay for the 65 incumbent ASX100 CEOs, and the sample as a whole. As shown in Graph 12, average and median cash pay for incumbent ASX100 CEOs rose modestly in FY15, and was above that of the sample as a whole: median cash pay for the incumbents was 2% higher than that for the whole sample, while average cash pay for incumbents was 4.8% higher.

**Graph 12: Incumbent ASX100 cash pay FY14 and FY15 relative to sample**



<sup>76</sup> Cash pay is defined as disclosed CEO pay less the value of share-based payments expense as reported in the reported remuneration table and also excludes cash payments accrued over multiple years.

<sup>77</sup> Full cash pay data over the history of the longitudinal study is disclosed in Appendix 3. The 2004 figures exclude News Corporation; data inclusive of News is available in Appendix 3.

<sup>78</sup> The 2014 data has been restated following reclassification of items to cash pay at Macquarie Group and Challenger and reclassification of items out of cash pay at Harvey Norman, Stockland and Spark Infrastructure. The average cash pay for FY14 prior to these restatements was \$3,146,136.

<sup>79</sup> Average cash pay for FY15 includes a termination payment of \$1.548million to former Cochlear CEO Chris Roberts. If this is excluded average cash pay for FY15 was \$3,084,878.

As noted above, cash pay for the ASX101-200 sample fell sharply: the median declined 10.3% and the average 15.9%, although the median and average remained above FY13 levels. This is in part due to the impact of a number of one-off payments in FY14, associated with newly-listed companies, and also partially reflects the decline in the number of mining exploration companies with low-cash CEO packages in the ex-100 sample as commodity prices have declined between FY13 and FY15.

The cash pay decline was driven by falls across the board, and not by a change of personnel. Cash pay for the 47 incumbent ex-100 CEOs in FY15 declined, with the median for an incumbent falling from \$1.33m to \$1.23m (7.4%) and the average 13.8%, from \$1.85m to \$1.59m.

**Table 17: Cash pay, ASX101-200 for FY15**

	Increase in FY15	FY15	FY14 <sup>80</sup>	FY13	FY12	FY11
Median	-10.3%	\$1,152,253	\$1,283,925	\$1,148,587	\$1,237,000	\$1,157,500
Average	-15.9%	\$1,413,240	\$1,687,739	\$1,347,493	\$1,273,000	\$1,245,622
Highest		\$6,020,256	\$8,028,508	\$3,935,131 <sup>81</sup>	\$3,363,925	\$4,507,279
Lowest		\$379,455	\$357,009	\$369,159	\$448,062	\$365,053

The highest cash pay in the ASX101-200 sample was for the co-CEOs of Village Roadshow and, for an individual CEO, the highest cash pay was for Premier Investments' Mark McInnes at \$5.1m. Only four CEOs had cash pay in excess of \$3m; the others were the co-CEOs of Charter Hall and Seven's Don Voelte. In contrast to the ASX100 sample, 29 of the ASX101-200 sample had cash pay of less than \$1m, with the lowest pay received by ARB's Andrew Brown.

<sup>80</sup> The average cash pay for FY14 has been restated following the reclassification of an IPO-related payment to the CEO of Cover-More to cash pay. The average cash pay disclosed in FY14 was \$1,680,660.

<sup>81</sup> This relates to former Seven Group CEO Peter Gammell and includes \$926,398 in termination payments payable on him ceasing employment as at 30 June 2013. Excluding these payments Gammell had the second highest cash pay in the 101-200 sample behind the co-CEOs of Charter Hall at \$3,380,868.

# Termination payments

In FY15, nine departing ASX 200 CEOs received payments on leaving in excess of \$2m (six from the ASX100 and three from the ASX101-200 sample). By comparison, only nine departing CEOs received payments in excess of \$1m in FY14.

**Table 18: Termination payments for ASX100 CEOs in FY15<sup>82</sup>**

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Sum	\$83.03m	\$34.56m	\$5.7m	\$35.02m	\$19.06m <sup>83</sup>	\$11.81m <sup>84</sup>	\$25.93m	\$24.17m
No.	13	13	5	12	13	9	9	8
Min.	\$793,333	\$168,000	\$513,079	\$566,667	\$150,000	\$141,459	\$281,644	\$30,315
Max	\$18,31m <sup>85</sup>	\$6.39m	\$1.68m	\$10.9m	\$4.57m	\$2.81m	\$13.59m	\$6.68m

The largest by some distance in FY15 was the \$6.68m in payments to former AGL Energy CEO Michael Fraser on his departure in February 2015, although this was less than half the \$13.59m paid by Leighton (now CIMIC) to former CEO Hamish Tyrwhitt in FY14. The payment to Fraser comprised:

- A guaranteed bonus of \$2.2m under his contractual entitlement to receive a bonus at target on departure.
- Payments in lieu of notice of \$836,000 and estimated leave payouts of \$1.7m (AGL has not previously accrued leave in the remuneration table, with these leave amounts paid out disclosed in Fraser's fixed pay for FY15).
- Vesting of 131,000 unvested ZEPOs that vested automatically as a result of his departure based on the share price at the time he departed.<sup>86</sup>

In the ASX101-200 cohort the highest termination payment was to long-serving Nufarm CEO Doug Rathbone at \$2.77m, including consultancy payments of \$1m.<sup>87</sup> The long-serving CEO of ASX100 constituent Primary, Ed Bateman, had a total termination benefit of \$3.41m, including leave paid out and not previously accrued in remuneration disclosures of \$1.37m and \$536,000 in post-executive consultancy payments.<sup>88</sup>

**Table 19: Termination payments for ASX101-200 CEOs in FY15**

	FY11	FY12	FY13	FY14	FY15
Total	\$14,945,926	\$5,761,582	\$5,531,944	\$11,809,607	\$14,247,979
Number	11	6	5	7	10
Min.	\$270,710	\$72,698	\$301,926	\$125,000	\$202,321
Max.	\$3,630,000	\$2,510,000	\$1,532,000	\$8,132,985	\$2,767,458

<sup>82</sup> Termination payments include bonuses for part year worked, the value of long-term incentives that vest solely as a result of termination, payments in lieu of notice or for severance and the value of accrued leave entitlements for executives where leave entitlements have not previously been accrued in the remuneration table.

<sup>83</sup> Figures disclosed in currencies other than AUD were converted into AUD using the exchange rate on the disclosed date of departure.

<sup>84</sup> Figures disclosed in currencies other than AUD were converted using the average exchange rate for FY13 as the payments related to pro rata bonuses.

<sup>85</sup> This payment, to former Santos CEO John Ellice-Flint, includes \$14.592 million which was the value of options that vested on his departure calculated based on the difference between the exercise price and closing price on the date his termination arrangements were announced to the ASX on 14 May 2008. It is not known if these options have been exercised. The cash termination payments were \$3.718 million.

<sup>86</sup> AGL Energy Limited, 2015 annual report, pp.63,67-71.

<sup>87</sup> Nufarm Limited, 2015 annual report, pp.52-53.

<sup>88</sup> Primary Health Care Limited, 2015 annual report, pp.46,47,49.

In the ex-100 group another three CEOs received payments in excess of \$2m on departure: Former Ten Network CEO Hamish McLennan who received \$2.41m, including an ex-gratia payment of \$250,000 and the former head of Southern Cross, Rhys Holleran whose \$2.06m included a payment in lieu of notice, and leave entitlements not previously disclosed in remuneration.<sup>89</sup>

There were three CEO departures during FY15 where no termination payments were disclosed: At GPT, where Michael Cameron resigned to become CEO of Suncorp, and outside the ASX100, at APN News and Media and McMillan Shakespeare, where CEOs also voluntarily departed. This excludes REA Group, where a non-executive director who was acting CEO, Peter Tonagh, stepped down during FY15 when the new CEO commenced.

Not all payments to departing executives are captured in the termination payments disclosed above. Former Cochlear CEO Chris Roberts, for example, received a termination payment of \$1.55m when he left the company shortly after the end of FY15 but as he was CEO for the full year this is included in his total cash pay.

Also outside the payments captured above are arrangements where a departing CEO remains employed after departure for a prolonged period. For example, former Telstra CEO David Thodey stepped down as a senior executive on 30 April 2015, but remained a full-time employee until 21 August 2015; his salary over this period, of approximately \$820,000, is not included in the termination payment totals - although the bonuses he received for FY15, awarded as if he was CEO for the full year and for less than two months of FY16, are included.<sup>90</sup>

The benefits departing executives receive from equity incentives, which vest after being tested against performance hurdles, are also not included in the above totals. Telstra's Thodey, for example, had shares worth \$7.52m vest at the end of FY15 based on performance against the original hurdles, and under the terms of the original grant.<sup>91</sup> This benefit was, however, dwarfed by that received by former Amcor CEO Ken MacKenzie who departed the company in April 2015. On his departure the board elected to allow his unvested equity incentives to vest on a pro-rata basis, based on performance against the original relative TSR and return on funds employed hurdles assessed as at 31 December 2014.

As a result, MacKenzie received equity incentives with a value at vesting in April 2015 of approx. \$36m, reflecting high levels of vesting and strong share-price growth, increasing substantially the value of options granted in prior years. These benefits are not included in the termination benefits above, although his bonus of \$3.75m for the partial year worked, and a payment in lieu of notice of \$402,000, are included.<sup>92</sup>

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<sup>89</sup> Ten Network Holdings Limited, 2015 financial report, p.20 and Southern Cross Media Group Limited pp.24,26,32. Holleran was disclosed as being CEO for all of FY15 but on announcement of his impending departure in May 2015 the company appointed its chairperson Peter Bush as executive chair.

<sup>90</sup> These bonuses totalled \$3.78million. Telstra Corporation Limited, 2015 annual report, p.48.

<sup>91</sup> Telstra Corporation Limited, 2015 annual report, p.49.

<sup>92</sup> Amcor Limited, 2015 annual report, pp.44-45,47. USD amounts converted based on average FX from July 2014 to April 2015.

# Appendix 1: Fixed pay data for ASX100, 2001 to 2015

(Italicised data 2001 to 2004 includes News Corp.)

Year	Average	Median	Minimum	Maximum
2015	\$1,865,484	\$1,715,087	\$278,238	\$6,979,057
2014	\$1,929,122	\$1,810,000	\$343,573	\$5,385,916
2013	\$1,948,949	\$1,830,614	\$247,275	\$6,359,705
2012	\$1,900,878	\$1,951,814	\$540,971	\$4,926,208
2011	\$1,946,748	\$1,914,050	\$277,638	\$4,573,000
2010	\$1,929,062	\$1,823,168	\$119,057	\$8,964,902
2009	\$2,016,923	\$1,807,561	\$223,877	\$8,981,956
2008	\$1,947,350	\$1,745,856	\$198,648	\$9,204,760
2007	\$1,833,228	\$1,533,948	\$321,331	\$8,885,278
2006	\$1,789,826	\$1,579,292	\$394,769	\$8,888,197
2005	\$1,533,231	\$1,373,437	\$494,531	\$8,789,826
2004	\$1,416,877 \$1,554,410	\$1,353,000 \$1,376,798	\$410,437	\$4,084,000 \$11,731,875
2003	\$1,361,769 \$1,424,285	\$1,136,537 \$1,137,769	\$345,056	\$6,716,040 \$13,486,153
2002	\$984,045 \$1,027,288	\$903,838 \$914,330	\$50,575	\$7,938,000 \$7,938,000
2001	\$888,407 \$1,008,012	\$780,975 \$781,788	\$52,055	\$2,650,565 \$8,543,137

## Appendix 2: ASX100 CEO bonus data 2001 to 2015

(Italicised data 2001 to 2004 includes News Corp.)

Year	Average	Median	Minimum	Maximum
2015	\$1,271,251	\$1,162,488	\$35,000	\$6,617,549
2014	\$1,345,662	\$1,065,009	\$152,000	\$7,766,336
2013	\$1,220,744	\$950,000	\$100,000	\$6,101,360
2012	\$1,315,221	\$1,060,095	\$40,000	\$7,245,088
2011	\$1,255,212	\$1,098,300	\$57,750	\$3,367,965
2010	\$1,584,120	\$1,122,000	\$13,642	\$10,298,586
2009	\$1,564,273	\$1,206,662	\$223,877	\$8,238,246
2008	\$2,016,214	\$1,167,645	\$202,293	\$27,223,798
2007	\$2,260,741	\$1,360,000	\$750,000	\$25,615,987
2006	\$1,683,252	\$1,005,890	\$100,000	\$15,833,577
2005	\$1,364,295	\$1,000,000	\$75,000	\$13,892,889
2004	\$1,293,093 <i>\$1,671,608</i>	\$900,000 <i>\$911,803</i>	\$126,000	\$13,400,000 <i>\$17,980,437</i>
2003	\$1,102,603 <i>\$1,283,330</i>	\$725,000 <i>\$735,129</i>	\$88,000	\$12,381,000
2002	\$902,969 <i>\$937,347</i>	\$468,011 <i>\$475,000</i>	\$50,000	\$10,944,000
2001	\$769,125 <i>\$871,389</i>	\$377,936 <i>\$386,805</i>	\$73,000	\$6,239,739

## Appendix 3: ASX100 CEO cash pay data 2001 to 2015

(Italicised data 2001 to 2004 includes News Corp.)

Year	Average	Median	Minimum	Maximum
2015	\$3,102,883	\$2,915,332	\$518,238	\$13,596,065
2014	\$3,164,908	\$2,892,000	\$657,073	\$13,152,252
2013	\$3,005,935	\$2,529,885	\$616,972	\$11,107,787
2012	\$2,981,530	\$2,888,441	\$540,971	\$12,171,296
2011	\$3,055,428	\$2,945,000	\$335,388	\$6,734,522
2010	\$3,354,770	\$2,785,900	\$132,699	\$15,964,902
2009	\$3,397,328	\$2,853,198	\$239,295	\$14,931,956
2008	\$3,814,687	\$2,903,752	\$198,648	\$27,894,726
2007	\$3,837,684	\$2,900,000	\$321,331	\$26,286,806
2006	\$3,476,833	\$2,492,718	\$415,862	\$16,504,181
2005	\$2,832,457	\$2,134,534	\$581,750	\$14,653,688
2004	\$2,787,708 \$3,146,703	\$2,408,309 \$2,408,670	\$410,437	\$14,692,011 \$29,712,312
2003	\$2,141,128 \$2,444,368	\$1,740,537 \$1,773,180	\$387,472	\$13,393,275 \$25,793,845
2002	\$2,200,664 \$2,381,356	\$1,427,877 \$1,447,111	\$50,575	\$11,922,336 \$16,294,620
2001	\$1,814,371 \$2,018,190	\$1,375,000 \$1,422,662	\$166,457	\$7,823,072 \$14,858,824

## Appendix 4: ASX100 CEO reported pay data 2001 to 2015

(Italicised data 2001 to 2004 includes News Corp.)

Year	Average	Median	Minimum	Maximum
2015	\$4,992,943	\$4,066,225	\$518,238	\$21,706,636
2014	\$5,008,869	\$4,195,278	\$657,073	\$22,088,011
2013	\$4,843,607	\$4,155,693	\$616,972	\$19,110,336
2012	\$4,705,093	\$3,985,254	\$540,791	\$21,105,291
2011	\$4,724,758	\$4,517,815	\$426,542	\$11,803,992
2010	\$4,991,319	\$4,388,073	\$132,699	\$16,157,746
2009	\$4,924,256	\$4,039,748	-\$961,853	\$14,931,956
2008	\$5,162,441	\$4,049,293	\$198,648	\$24,755,444
2007	\$5,540,815	\$4,168,554	\$404,062	\$33,489,818
2006	\$4,561,393	\$3,274,675	\$415,862	\$21,210,349
2005	\$3,766,549	\$3,092,576	\$659,002	\$18,553,566
2004	\$3,564,486 \$3,913,123	\$3,074,837 \$3,138,235	\$410,437	\$14,692,011 \$29,712,312
2003	\$2,858,343 \$3,163,769	\$2,309,384 \$2,325,692	\$387,472	\$13,393,275 \$26,681,537
2002	\$3,059,008 \$3,228,695	\$2,081,110 \$2,098,601	\$50,575	\$11,922,336 \$16,294,620
2001	\$2,450,513 \$2,644,393	\$1,843,987 \$2,120,411	\$166,457	\$11,682,638 \$14,858,824

## Appendix 5: Incumbent CEO pay data FY14 and FY15

Incumbent sample for ASX100 CEOs (65)

	Median FY15	Median FY14	Average FY15	Average FY14
Fixed pay	\$1,855,000	\$1,752,000	\$1,959,370	\$1,883,857
Bonus paid	\$1,199,702	\$1,160,156	\$1,353,310	\$1,362,577
Bonus accrued	\$1,800,000	\$1,703,899	\$2,108,291	\$2,095,166
Cash pay	\$2,974,781	\$2,893,962	\$3,251,819	\$3,195,383
Reported pay	\$4,398,613	\$4,209,747	\$5,352,563	\$5,110,733
Realised pay	\$4,168,614	\$3,982,396	\$5,856,965	\$5,827,730

Incumbent sample for ASX101-200 CEOs (47)

	Median FY15	Median FY14	Average FY15	Average FY14
Fixed pay	\$1,003,800	\$934,794	\$1,203,624	\$1,210,803
Bonus paid	\$338,000	\$431,250	\$566,599	\$753,210
Bonus accrued	\$480,209	\$552,240	\$731,418	\$842,828
Cash pay	\$1,228,497	\$1,327,066	\$1,592,663	\$1,847,102
Reported pay	\$1,717,238	\$1,783,963	\$2,016,909	\$2,754,942
Realised pay	\$1,608,255	\$1,880,793	\$2,181,992	\$2,550,807

