



# CEO PAY IN ASX200 COMPANIES

August 2020



# ABOUT ACSI

Established in 2001, ACSI provides a strong, collective voice on environmental, social and governance (ESG) issues on behalf of our members.

Our members include 39 Australian and international asset owners and institutional investors. Collectively, they own on average 10 per cent of every ASX200 company. Our members believe that ESG risks and opportunities have a material impact on investment outcomes.

As fiduciary investors, they have a responsibility to act to enhance the long-term value of the savings entrusted to them. Through ACSI, our members collaborate to achieve genuine, measurable and permanent improvements in the ESG practices and performance of the companies they invest in.

We undertake a year-round program of research, engagement, advocacy and voting advice. These activities provide a solid basis for our members to exercise their ownership rights.

We also offer additional consulting services including: ESG and related policy development; analysis of service providers, fund managers and ESG data; and disclosure advice.

## ABOUT OWNERSHIP MATTERS

Ownership Matters is an Australian governance advisory firm. Its principals have collective experience of 50 years in advising institutional investors on governance issues at ASX listed companies.

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39 Australian & international investors



Leading voice on ESG issues and advocacy



Together, ACSI members own around 10% of every ASX200 company

# FOREWORD

In the shadow of the current pandemic, boards need to rise to the challenge of meeting stakeholder expectations for appropriate levels of executive rewards.

*'Boards of ASX200 companies will need to be mindful this year of how remuneration outcomes will be perceived externally, given the widespread impact of the pandemic.'*

It is pleasing to see, after many years of engagement and scrutiny from ACSI and its investor members, that the trend to restraint on how CEOs and their teams are rewarded continued last year.

More boards are using sensible discretion to rein in outcomes for senior executives – demonstrated by the fact that 25 CEOs had their bonuses zeroed out where performance was not adequate, compared with only seven a year earlier.

That growing maturity and sophistication will be put to the test this year, with an extra layer of complexity added as directors and boards weigh the deep and persistent impacts of COVID-19 across their businesses, the Australian community, and globally.

While investors appreciate that recent months have been some of the most demanding ever seen for those running businesses, those extra stresses and strains are not unique experiences to just executive teams.

Alongside the volatility of financial markets, people at every level of society have been wrestling with unprecedented changes to their work – for those who have kept their jobs – financial pain, isolation and family dislocations.

The ramifications of both the health and economic impacts of the pandemic are still not fully understood – except to the extent that this will not be over in 2020, or even 2021.

Against this backdrop, boards of ASX200 companies will need to be mindful this year of how remuneration outcomes will be perceived externally, given the widespread impact of the pandemic on investors, staff, customers, governments and other key stakeholders.

Remuneration trends in 2019 indicate many boards are well positioned to respond to these pressures. For others, however, there is more work to be done to make sure they are 'reading the room' on executive remuneration.

As always, the measure of a good incentive system is the ability to go beyond the 'check-the-box' approach to ensure pay outcomes reflect performance and the experience of investors in the company.



A handwritten signature in black ink, which appears to read 'Louise Davidson'.

Louise Davidson  
Chief Executive Officer

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# EXECUTIVE SUMMARY

This report, ACSI's 19th annual survey of CEO pay in Australia's largest listed companies (and the 10<sup>th</sup> conducted by our research partners Ownership Matters) continues to lead in the Australian market in providing insights into remuneration trends.

This year's report includes FY19 pay data for 83 ASX100 CEOs and 73 ASX101-200 CEOs (CEOs appointed mid-way through the financial year are excluded to avoid distorting total numbers).

The report calculates and investigates 'realised pay'; that is, the value of cash and equity actually received by ASX200 CEOs, rather than just the accounting valuations reported in annual reports. Key findings include:

## QUANTUM EDGES DOWNWARD

- **Realised, reported and cash pay for CEOs in the ASX200 all fell during FY19.** Median and average realised pay across the ASX100 sample fell in FY19, with the median declining 8.2% and the average 7.4%. Fixed pay across the sample group was flat. Median ASX100 CEO fixed pay has declined from \$1.95mn in FY12 to \$1.76mn FY19.
- **Bonuses were persistent but average awards dropped.** The median bonus awarded as a proportion of maximum was 60% in the ASX100. This is a fall from 70% in FY18.
- **The number of eligible ASX200 CEOs receiving no bonus more than trebled in FY19.** Of 156 CEOs in the sample, 146 were eligible for a bonus, and 25 received zero (FY18: seven). In the ASX100, 12 CEOs received zero bonus (FY18: one). This was the same number recorded in 2009 during the Global Financial Crisis.

- **Cash pay declined but is still a feature of incentives.** More than 70% of the ASX100 sample received cash pay of at least \$2mn (13 received more than \$4mn). In the ASX101-200, more than 70% of CEOs received cash pay above \$1mn.
- **Over the past three years, three CEOs have collected more than \$15mn in cash or cash equivalents:** CSL's Perreault (\$17.16mn), Treasury Wine's Michael Clarke (\$16.52mn) and Sonic Healthcare's Colin Goldschmidt (\$15.87mn). This creates a significant buffer of personal wealth should the company's performance or share price subsequently decline.

## RISING SHARES LIFT RANKINGS

Rapid growth, combined with substantial increases in share prices that increased the value of equity incentives, led to the addition of several new companies in the list of top 20 highest-paid CEOs:

- **IDP Education's CEO, Andrew Barkla, became the highest-paid CEO** in the six years that this research has recorded realised remuneration in ASX200 companies. Barkla received realised pay of \$37.76mn in FY19 (Don Meij, CEO of Domino's Pizza Enterprises, was the previous record holder with \$36.84mn in FY17). The outcome was largely the result of the exercise of options granted prior to the company's 2015 IPO.
- **Seven of the 20 highest-paid CEOs came from outside the ASX100 in FY19.** It is also the first time that a CEO outside the ASX100 has topped the list. In this study, three of the five highest-remunerated CEOs in FY19 ran ASX101-200 companies – Clinuvel's Philippe Wolgen realised \$20.6mn and Webjet's John Guscic \$16.5mn.

## TERMINATION PAYMENTS SHRINK

- Total termination payments fell to \$18.35mn across 14 CEOs, down from FY18's \$26.08mn across 15 people.** The FY18 figure was revised up because Adelaide Brighton disclosed in its 2019 accounts additional termination payments to the departed Martin Brydon (his total termination payment, included in the FY18 sample was revised from \$4.43mn to \$5.36mn).
- AGL Energy's Andy Vesey received the largest termination payment in FY19 – \$3.92mn;** Vesey's payment, like that of seven other payments to former CEOs, was increased by the fact that he remained employed for several months after stepping down as CEO and continuing to receive full salary during this period.

Table 1: 20 highest-paid ASX200 CEOs on a realised-pay basis in FY19

Rank	CEO	Company	Realised Pay
1	Andrew Barkla	IDP Education	\$37,761,322
2	Paul Perreault	CSL	\$30,526,634
3	Philippe Wolgen	Clinuvel Pharmaceuticals	\$20,624,450
4	Michael Clarke	Treasury Wine Estates	\$19,853,177
5	John Guscic	Webjet	\$16,498,937
6	Greg Goodman	Goodman Group	\$14,967,391
7	Robert Kelly	Steadfast Group	\$14,419,677
8	Alan Joyce	Qantas Airways	\$12,217,400
9	Colin Goldschmidt	Sonic Healthcare	\$11,912,450
10	JS Jacques	Rio Tinto	\$10,323,975
11	Peter Coleman	Woodside Petroleum	\$9,665,221
12	Mark Vassella	Bluescope Steel	\$9,465,692
13	Mark McInnes	Premier Investments	\$9,155,382
14	Bill Beament	Northern Star Resources	\$8,858,086
15	Julian Pemberton	NRW Holdings	\$8,815,450
16	Nigel Garrard	Orora	\$8,595,076
17	Maurice James	Qube Holdings	\$ 7,735,816
18	Paul Flynn	Whitehaven Coal	\$ 7,619,735
19	Scott Charlton	Transurban	\$ 7,609,185
20	Peter Allen	Scentre Group	\$ 7,452,446

# METHODOLOGY

This study, as in prior years, includes CEO pay for all companies in the ASX200 for the 2019 financial year (FY19). The relevant date range covers 31 January 2019 (Sigma Healthcare) to 31 December 2019 (27 of the entities in the sample had December 2019 year-ends).

This is the 19th year of ACSI's longitudinal study of ASX100 CEO pay and the ninth year the survey has included CEOs of ASX101-200 entities. It is the sixth year the study has included realised pay for all CEOs in the sample and the ACSI study remains the only public source of realised pay data for all ASX200 CEOs.

This FY19 sample includes 83 ASX100 CEOs (FY17: 81) and 73 ASX101-200 CEOs, down from 77 for the period FY16 – FY18. The study also continues to include and compare data for incumbent CEOs – those included in their respective cohort (either ASX100 or ASX101-200) in both FY18 and FY19. The FY19 incumbent group includes 66 ASX100 CEOs (FY18: 65) and 52 ASX101-200 CEOs (FY18: 51).

Under the study's methodology, which has been consistent for many years, not all ASX200 CEOs are included in the sample:

- CEOs appointed mid-way through the financial year are excluded to avoid distorting total numbers. As a result, Macquarie is not included in the FY19 study because the former CEO, Nicholas Moore, stepped down at the end of November 2018 and his successor, Shemara Wikramanayake, was CEO for only four months of FY19.
- Externally managed entities, such as Bunnings Warehouse Property Trust and Charter Hall Long WALE REIT, are also excluded – even though they may have a disclosed 'CEO'. This is because executives of these entities are paid by the external manager, not the listed entity, and their pay is not disclosed.

- Companies domiciled outside of Australia, and subject to different remuneration disclosure requirements – such as Janus Henderson, Fletcher Building, ResMed and News Corporation – are also excluded because their pay disclosures are not comparable to those of Australian companies, especially those relating to share-based payments expenses.

- Conversely, where there is a high degree of confidence that pay disclosures for non-Australian, but locally listed companies are consistent with those of Australian companies (such as PNG-domiciled Oil Search) the CEOs are included. Similarly, CEOs of entities technically not subject to the Corporations Act remuneration report disclosure requirements (such as APA Group, Spark Infrastructure and Dexus Property Group), are included because they are internally managed Australian trusts and have elected to produce remuneration reports.

- Certain other companies that were in the ASX200 as at the 'census' date – 30 June 2019 – are excluded because they did not produce a remuneration report for the year in question. In FY19, for example, Speedcast International was not included as it did not produce an annual report for the 12 months to 31 December 2019 because it entered bankruptcy in April 2020.

Pay data is disclosed in Australian dollars (AUD) and has been sourced from annual reports. In some cases, aspects of disclosure have been clarified through additional discussions with management. If the listed entity disclosed pay in another currency (in all cases the alternative currency was United States dollars; USD), 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.

This study refers to 'CEO pay', although for some companies the executive whose pay is included did not carry that title. In the case of Harvey Norman Holdings, for example, executive chair Gerry Harvey is included rather than his wife, CEO Katie Page, because he is the highest-ranking executive. In Magellan Financial Group's case, executive chair and CIO Hamish Douglass is included, despite former executive chair Brett Cairns becoming CEO during FY19. At Afterpay, no executive held the CEO title during FY19. We have instead included the executive whose role during the year appeared to functionally be that of CEO, executive director and group head David Hancock (Hancock departed Afterpay Limited after the end of FY19).

Realised pay, as in prior years, is calculated on a 'cash pay' basis; that is, reported pay excluding share-based payments expense but including the value of any equity that vested during the reporting 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.

To illustrate how realised pay is calculated, table 3 below shows how realised pay for IDP Education's Andrew Barkla was calculated; Barkla is the highest paid CEO, on a realised-pay basis, in the FY19 study and the highest-paid CEO in the six years that ACSI's study has included realised-pay data for all ASX200 CEOs.

There is a difference between realised pay calculated for the purposes of this study and the actual value received by executives because it depends on whether the shares received on vesting are sold or retained. In FY19, Barkla sold 99% of the shares he received on vesting and exercise of incentives.<sup>1</sup> By contrast, Webjet's John Guscic, who exercised options during FY19 with a value at exercise of \$15.038mn (the share price at the time of exercise in August 2018 was \$17.57), sold no shares in FY19 or subsequently in FY20. The Webjet share price at the start of June 2020 was \$4.30, comfortably below the \$5.54 option exercise price Guscic paid in August 2018.<sup>2</sup>

Table 3: Reconciliation of reported to realised pay for IDP Education CEO Andrew Barkla

	FY19 pay	Reference
A - Reported pay	\$2,252,275	2019 Annual Report, p.43
B - Less share-based payments expense	(\$721,365)	As above
C - Plus value of ZEPOs & options vesting during FY19	\$36,230,412	Change of director's interest notices, 3 July 2018, 3 September 2018, 4 September 2018 & 21 March 2019
Total realised pay	\$37,761,322	A – B + C

<sup>1</sup> IDP Education, 2019 Annual Report, p.44.

<sup>2</sup> Change of director's interest notice, 31 August 2018.



# REALISED AND REPORTED PAY

Six ASX100 CEOs received realised pay above \$10mn in FY19, with CSL's Paul Perreault becoming only the fourth CEO in six years to realise pay above \$30mn.<sup>3</sup>

The highest-paid CEO on a realised-pay basis in FY19 was, however, not Perreault but IDP Education's Andrew Barkla, whose realised pay of \$37.76mn was the highest in the history of ACSI's realised-pay data – which includes annual outcomes for 949 CEOs from FY14 to FY19.

As in prior years, the Top 10 realised-pay CEOs for the ASX100, and the ASX101-200, largely owe their rankings to strong security price performance. Much of Perreault's realised pay (\$13.42mn) came from options exercised at a price of \$73.73 when the share price was \$215; similarly, almost all of Barkla's realised pay came from the share price increasing from \$2.65 at the time of listing in November 2015 to above \$10 when he exercised 3.15mn options originally granted prior to IDP's IPO.

These options were poorly structured from the outset – the exercise price was set at \$1.44, well below the IPO price, and the absolute-TSR hurdle applying to a third of the options was calculated using a base of \$1.44 (meaning that, at the IPO price, the absolute-TSR hurdle of 8% per annum compound to the end of 30 June 2018 had already been comfortably met).<sup>4</sup>

Substantial share price gains were also responsible for raising Clinuvel's Philippe Wolgen to the third highest-paid CEO in FY19 on a realised-pay basis. His \$20.62mn tally for FY19 included \$19.28mn from the vesting, in March 2019, of performance rights granted when CUV's share price was well below \$5 (the share price at vesting was \$26.90).

Table 4: 10 highest-paid ASX100 CEOs on a realised-pay basis in FY19

Rank	CEO	Company	Realised pay (FY18 rank)	Reported pay (FY19 rank)
1	Paul Perreault	CSL	\$30,526,634 <sup>5</sup> (8)	\$16,382,276 (1)
2	Michael Clarke	Treasury Wine Estates	\$19,853,177 <sup>6</sup> (3)	\$11,387,045 (5)
3	Greg Goodman	Goodman Group	\$14,967,391 <sup>7</sup> (10)	\$12,800,759 (4)
4	Alan Joyce	Qantas Airways	\$12,217,400 <sup>8</sup> (1)	\$6,565,000 (18)
5	Colin Goldschmidt	Sonic Healthcare	\$11,912,450 <sup>9</sup> (7)	\$6,280,815 (22)
6	JS Jacques	Rio Tinto	\$10,323,975 <sup>10</sup> (17)	\$10,182,419 (7)
7	Peter Coleman	Woodside Petroleum	\$9,665,221 <sup>11</sup> (14)	\$7,432,157 (12)
8	Mark Vassella	Bluescope Steel	\$9,465,692 <sup>12</sup> (N/A)	\$3,733,577 (53)
9	Bill Beament	Northern Star Resources	\$8,858,086 <sup>13</sup> (27)	\$3,175,970 (63)
10	Nigel Garrard	Orora	\$8,595,076 <sup>14</sup> (16)	\$2,992,215 (66)

<sup>3</sup> The others were DMP's Don Meij in FY17 and RHC's former CEO, Chris Rex, in FY14.

<sup>4</sup> IDP Education Limited, 2015 prospectus, pp.108-109.

<sup>5</sup> CSL Limited, 2019 Annual Report, pp.70-71; Change of director's interest notice, 17 August 2018.

<sup>6</sup> Treasury Wine Estates Limited, 2019 Annual Report, pp.56-57,60; Change of director's interest notice, 20 August 2018 & 17 September 2018.

<sup>7</sup> Goodman Group, 2019 Annual Report, pp.44,48; Change of director's interest notice, 7 September 2018.

<sup>8</sup> Qantas Airways Limited, 2019 Annual Report, pp.38-39; Change of director's interest notices, 31 August 2018.

<sup>9</sup> Sonic Healthcare Limited, 2019 Annual Report, pp.27-29.

<sup>10</sup> Rio Tinto, 2019 Annual Report, pp.119,134-135.

<sup>11</sup> Woodside Petroleum Limited, 2019 Annual Report, p.71; Change of director's interest notice, 12 March 2019.

<sup>12</sup> Bluescope Steel Limited, 2019 Annual Report, pp.39-41; Change of director's interest notice, 7 September 2018.

<sup>13</sup> Northern Star Resources Limited, 2019 Annual Report, pp.66-67,70; Change of director's interest notice, 31 December 2018.

<sup>14</sup> Orora Limited, 2019 Annual Report, pp.54-55; Change of director's interest notices, 23 August 2018 & 6 September 2018.

Table 5: 10 highest-paid ASX101-200 CEOs on a realised-pay basis in FY19

Rank	CEO	Company	Realised pay	Prior rank	Reported pay	FY19 rank
1	Andrew Barkla	IDP Education	\$37,761,322	50	\$2,252,275	23
2	Philippe Wolgen	Clinuvel Pharmaceuticals	\$20,624,450 <sup>15</sup>	n/a	\$1,415,126	52
3	John Guscic	Webjet	\$16,498,937 <sup>16</sup>	4	\$2,086,732	30
4	Robert Kelly	Steadfast Group	\$14,419,677 <sup>17</sup>	16	\$3,582,922	8
5	Mark McInnes	Premier Investments	\$9,155,382 <sup>18</sup>	5	\$6,153,624	2
6	Julian Pemberton	NRW Holdings	\$8,815,450 <sup>19</sup>	n/a	\$2,279,730	22
7	Ian Testrow	Emeco Holdings	\$6,646,923 <sup>20</sup>	38	\$11,439,633	1
8	Ken Brinsden	Pilbara Minerals	\$6,268,028 <sup>21</sup>	69	\$1,368,006	53
9	Bob Vassie	St Barbara	\$6,100,036 <sup>22</sup>	1	\$1,751,026	42
10	Amanda Lacaze	Lynas Corporation	\$5,421,467 <sup>23</sup>	27	\$3,224,474	11

## RISING SHARES, RISING REWARDS

Major share price recoveries also underpinned the inclusion in the ASX101-200 Top 10 of NRW Holdings' Julian Pemberton, Emeco's Ian Testrow and Lynas's Amanda Lacaze.

This was also the case for Bluescope's Mark Vassella, who was included in the ASX100 sample for the first time in FY19 since becoming CEO mid-way through FY18. His presence in the Top 10 is due to the strong performance of Bluescope shares from 2015 to 2019, and the equity-heavy nature of pay for Bluescope executives during that period; this more than compensated for the fact that Vassella's equity allocations were prior to his becoming CEO. His predecessor, Paul O'Malley, had equity worth \$22.28mn vest in FY18, while he was still CEO, and another \$14.47mn in FY19 from incentives retained after he retired.<sup>24</sup>

Both Top 10 groups included repeat entrants: In the ASX100 cohort, Perreault, Qantas's Alan Joyce (who topped the ASX100 grouping in FY18), Treasury Wine's Michael Clarke, Goodman's Greg Goodman and Sonic Healthcare's Colin Goldschmidt were all included in the FY18 Top 10.

Webjet's John Guscic, Premier's Mark McInnes and St Barbara's Bob Vassie were all part of the FY18 ASX101-200 Top 10.

In the case of executives such as Joyce, Clarke and Vassie, this was partly due to more tranches of equity incentives, granted at a time of much lower share prices, vesting at or close to maximum levels. For Clarke, as well as others such as Goldschmidt, McInnes & Perreault, it also reflects high levels of cash pay. All four men received more than \$5mn in cash pay in FY19, and at least \$4.49mn in FY18.

In Greg Goodman's case, it reflects not only strong security price performance but very large equity grants (since FY16, Goodman has received no cash pay beyond his \$1.4mn annual salary).

Like IDP's Barkla, Steadfast's founding CEO, Robert Kelly, made the Top 10 largely due to equity incentives put in place prior to listing. During FY19, Kelly 'exercised' 5mn loan-funded shares granted to him in the 2013 IPO at an effective exercise price of \$1, the bottom-end of the IPO price range; Kelly repaid the loan in September 2018 when Steadfast's share price was almost \$3.

<sup>15</sup> Clinuvel Pharmaceuticals Limited, 2019 Annual Report, pp.34,39-41; Change of director's interest notice, 13 March 2019.

<sup>16</sup> Webjet Limited, 2019 Annual Report, pp.35,41-42,46; Change of director's interest notice, 31 August 2018.

<sup>17</sup> Steadfast Group Limited, 2019 Annual Report, pp.62,71-72,76-77; Change of director's interest notices, 6 September 2018.

<sup>18</sup> Premier Investments Limited, 2019 Annual Report, pp.25,29,31.

<sup>19</sup> NRW Holdings Limited, 2019 Annual Report, pp.18-21; Change of director's interest notice, 24 September 2018 & 4 December 2018.

<sup>20</sup> Emeco Holdings Limited, 2019 Annual Report, pp.32-33,37; Change of director's interest notice, 28 August 2018.

<sup>21</sup> Pilbara Minerals Limited, 2019 Annual Report, pp.82-83,86,91; Change of director's interest notice, 2 April 2019.

<sup>22</sup> St Barbara Limited, 2019 Annual Report, pp.28,33,37,39; Change of director's interest notice, 27 August 2018.

<sup>23</sup> Lynas Corporation Limited, 2019 Annual Report, pp.24-26 & 2018 Annual Report, p.23.

<sup>24</sup> Bluescope Steel Limited, 2018 Annual Report, pp.29,41; 2019 Annual Report, p.41; Change of director's interest notice, 13 September 2017.

Table 6: Realised pay for ASX100 CEOs

	FY19	FY18	FY17	FY16	FY15	FY14
Median realised	\$4,134,518	\$4,502,000	\$4,361,201	\$3,878,990	\$3,880,672	\$3,958,000
Average realised	\$5,240,383	\$5,660,301	\$6,226,213	\$5,695,184	\$5,542,509	\$5,610,057
Highest	\$30,526,634	\$23,876,351	\$36,837,702	\$26,255,778	\$24,753,949	\$30,796,223
Lowest	\$516,885	\$750,000	\$646,396	\$637,100	\$518,238	\$657,073
Median incumbent	\$4,275,927	\$4,540,010				
Average incumbent	\$5,596,286	\$5,598,415				

## RECORD LOW FOR AVERAGE PAY

Median and average realised pay across the ASX100 sample fell in FY19, with the median declining 8.2% and the average 7.4%. The average, at \$5.24mn, was the lowest recorded in the six years of realised-pay data for ASX100 CEOs and was the first time average ASX100 CEO realised pay has been below \$5.5mn (non-inclusion of a Macquarie CEO in this study accounted for some of the decline).

Macquarie's CEO at the end of FY19, Shemara Wikramanayake, had realised pay for the year of \$19.30mn, most of which related to incentives awarded in her prior role as head of Macquarie Asset Management. Had her pay been included in the FY19 sample, average realised pay would have been \$5.41mn – still the lowest recorded, but only 2.3% below the prior low.<sup>25</sup>

The impact of the departure of Macquarie is also visible in average realised pay for the 66 CEOs in the sample in both FY18 and FY19, which was flat rather than down, although the median realised pay for incumbents fell almost 6% in FY19. As in prior years, incumbent ASX100 CEOs had higher median and average realised pay than their non-incumbent peers.

The narrow range of median and average outcomes across the six years of ASX100 realised-pay data is also apparent: median realised pay across six years has ranged only from \$3.88mn to \$4.5mn, while the average, despite being more affected by large outliers like CSL in FY19, has ranged only from \$5.24mn to \$6.23mn. This consistency indicates that a large proportion of ASX100 CEO pay, even after adjusting for the volatility caused by vesting of equity incentives, is stable from year-to-year.

By contrast with the ASX100 sample, median and average realised pay for the 73 ASX101-200 CEOs in the FY19 sample rose from FY18 levels. The substantial increase in the average, from \$2.54mn in FY18 to \$3.63mn in FY19, was driven largely by the impact of the two significant outliers in FY19, IDP's Andrew Barkla and Clinuvel's Philippe Wolgen. Prior to FY19, FY18 had comfortably had the highest average realised pay in the history of the ASX101-200 study.

<sup>25</sup> Macquarie Group Limited, 2012 Annual Report, p.71; 2014 Annual Report, p.75; 2016 Annual Report, p.91; 2019 Annual Report, pp.88-89,94,96.

Table 7: Realised pay for ASX101-200 CEOs

	FY19	FY18	FY17	FY16	FY15	FY14
Median realised	\$2,172,579	\$1,735,892	\$1,754,582	\$1,437,375	\$1,413,322	\$1,738,822
Average realised	\$3,628,690	\$2,544,732	\$2,262,776	\$2,023,930	\$1,885,457	\$2,297,001
Highest	\$37,761,322	\$13,246,088	\$10,295,490	\$11,090,136	\$12,804,929	\$18,028,506
Lowest	\$407,847	\$390,707	\$382,489	\$378,581	\$379,455	\$357,009
Median incumbent	\$2,163,184	\$1,736,561				
Average incumbent	\$3,727,488	\$2,876,551				

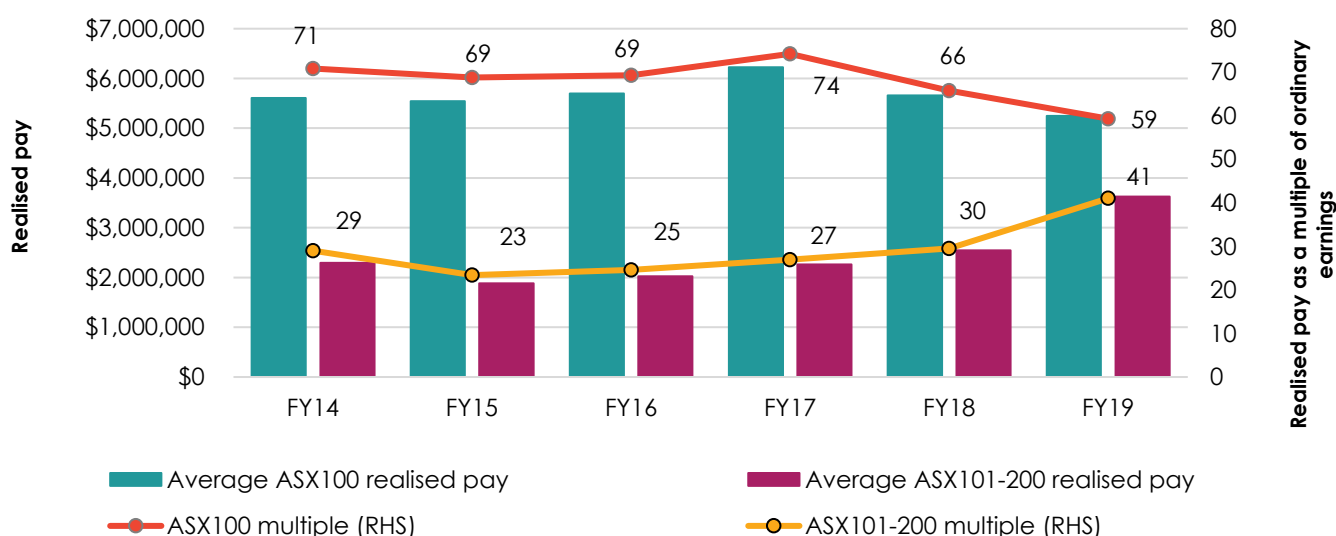
The substantial increase in the average was, however, matched by a significant increase in the median, up from \$1.74mn in FY18 to \$2.17mn in FY19, showing a general increase in realised pay across the ASX101-200 sample. In FY19, 40 ASX101-200 CEOs realised pay above \$2mn (55% of the sample), while in FY18 only 34 (44% of the sample) had realised pay above \$2mn.

This was also consistent with median realised pay among the 52 incumbents increasing 24.6% to \$2.16mn and the average for incumbents increasing 29.6% to \$3.73mn (Barkla was included in both the FY18 and FY19 samples, as were Steadfast's Kelly and Webjet's Gusic; Wolgen was the only member of the four highest-paid CEOs on a realised-pay basis not included in both samples. Clinuvel was not part of the ASX200 in FY18).

For ASX100 CEOs, realised pay in FY19 fell, relative to average adult earnings, for the second consecutive year, and at a multiple of 59 times average adult annual earnings was at its lowest level since ACSI began collecting realised pay data in FY14.

ASX101-200 realised CEO pay has, however, continued to rise relative to ordinary earnings from a multiple of 23 times in FY15 to 41 in FY19. The large jump in FY19 reflects the impact of IDP's Barkla and Clinuvel's Wolgen on the ASX101-200 realised-pay average. Without these two men, the ASX101-200 realised-pay average would have been \$2.91mn, 33 times average adult earnings.

Graph 1: Average ASX100 & ASX101-200 realised CEO pay relative to average adult earnings FY14 – FY19<sup>26</sup>



<sup>26</sup> Average adult earnings is average weekly adult total earnings as at May of each year from the ABS.

Table 8: 10 highest-paid ASX100 CEOs on a reported-pay basis in FY19

Rank	CEO	Company	Reported pay (FY18 rank)	Realised pay (FY19 rank)
1	Paul Perreault	CSL	\$16,382,276 (2)	\$30,526,634 (1)
2	David Hancock	Afterpay	\$15,459,413 (N/A)	\$646,771 <sup>27</sup> (82)
3	Francesco De Ferrari	AMP	\$13,431,000 (N/A)	\$7,439,078 <sup>28</sup> (15)
4	Greg Goodman	Goodman Group	\$12,800,759 (4)	\$14,967,391 (3)
5	Michael Clarke	Treasury Wine Estates	\$11,387,045 (3)	\$19,853,177 (2)
6	Andrew Mackenzie	BHP	\$11,051,307 (5)	\$4,023,487 <sup>29</sup> (45)
7	JS Jacques	Rio Tinto	\$10,182,419 (8)	\$10,323,975 (6)
8	Sandeep Biswas	Newcrest Mining	\$8,810,894 (7)	\$5,530,908 <sup>30</sup> (28)
9	Peter Botten	Oil Search	\$8,361,140 (9)	\$6,163,550 <sup>31</sup> (23)
10	Brad Banducci	Woolworths	\$7,706,283 (10)	\$3,721,909 <sup>32</sup> (49)

All but two of FY19's 10 highest-paid CEOs for reported pay (amounts as disclosed in remuneration reports under Australian disclosure requirements) were also members of the FY18 Top 10; four of that reported-pay Top 10 – Perreault, Treasury's Clarke, GMG's Goodman and Rio's Jacques – also feature in the Top 10 realised-pay list. The new entrants to the reported-pay Top 10 were Afterpay's David Hancock, who topped the ASX101-200 CEO reported-pay list in FY18, and AMP's recently-appointed CEO, Francesco De Ferrari. Reported pay for De Ferrari reflected the accounting expense associated with large equity allocations granted as part of his sign-on arrangements, and for his FY19 LTI. While still substantially lower than his reported pay, his realised pay of \$7.44mn still ranked him 15<sup>th</sup> in the ASX100 cohort for realised pay.

The inclusion of Hancock, whose realised pay of \$646,771 was the second lowest in the ASX100, was due to a sign-on options grant that, due to clerical errors, was granted more than a year late.

This option grant, approved at the 2018 AGM, was 'in the money' when granted with an exercise price of \$2.70.<sup>33</sup> These options had all vested by September 2019; the former Freedom Insurance chair departed Afterpay in October 2019 and exercised 2.5mn of the 2.7mn options in January 2020 for a total gain at the time of exercise of \$80.39mn.<sup>34</sup>

The CEOs who departed the reported pay Top 10 in FY19 were Nicholas Moore, who retired, and Woodside's Peter Coleman, who featured in the realised pay Top 10 for FY19. In FY19, Coleman's reported pay of \$7.43mn ranked him 12<sup>th</sup>. His decline from FY18's \$8.82mn was partly due to him receiving the entirety of his FY19 incentive in equity vesting over a minimum of three years. This means that the accounting expense associated with his FY19 incentive is amortised over a longer period than in FY18, when Coleman received a cash incentive of \$867,000.

<sup>27</sup> Afterpay Limited, 2019 Annual Report, pp.60,66.

<sup>28</sup> AMP Limited, 2019 Annual Report, pp.38,48.

<sup>29</sup> BHP, 2019 Annual Report, p.160.

<sup>30</sup> Newcrest Mining Limited, 2019 Annual Report, pp.70,85.

<sup>31</sup> Oil Search Limited, 2019 Financial Report, p.24.

<sup>32</sup> Woolworths Limited, 2019 Annual Report, pp.61,62,64.

<sup>33</sup> Afterpay Limited, 2019 Annual Report, p.57.

<sup>34</sup> Afterpay Limited, Appendix 2A ASX releases, 28 January 2020 & 21 January 2020. As at 3 June 2020 Hancock retains 200,000 options with an intrinsic value at the closing price on 3 June 2020 of \$9.91mn.

Table 9: Reported pay for ASX100 CEOs<sup>35</sup>

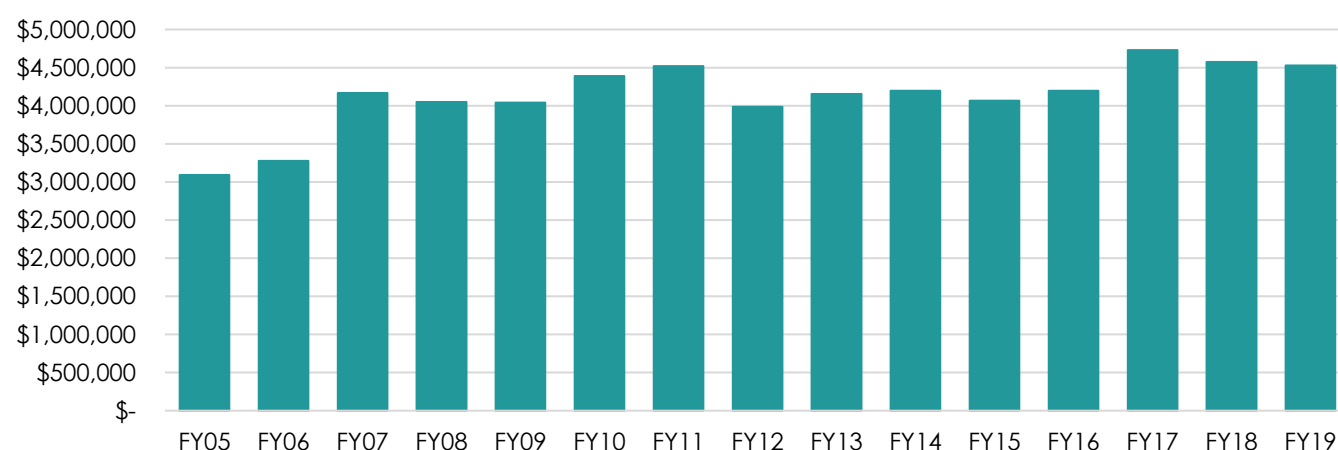
	FY19	FY18	FY14	FY09	One-year change	Five-year p.a. change	10-year p.a. change
Median	\$4,526,589	\$4,574,954	\$4,195,278	\$4,039,748	-1.1%	1.5%	1.1%
Average	\$5,075,478	\$5,122,431	\$5,008,869	\$4,924,256	-0.9%	0.3%	0.3%
Highest	\$16,382,276	\$19,650,083	\$22,088,011	\$14,931,956			
Lowest	\$516,885	\$777,213	\$657,073	-\$961,853			
Median incumbent	\$4,752,089	\$4,609,422					
Average incumbent	\$5,129,523	\$5,088,378					

Often maligned as over-stating actual pay, especially by boards and executives, the tight correlation between high levels of reported and realised pay is again apparent in the FY19 ASX100 sample. Every CEO among the reported pay Top 10 received realised pay of at least \$5.5mn – other than Hancock, BHP's Andrew Mackenzie and Woolworths' Brad Banducci.

In Mackenzie's case, this reflects the weighting of his total pay to equity incentives, the fact no deferred STI was available to vest in FY19 due to BHP not paying an STI in FY16, and no LTI vesting – again – based on performance over the five years to the end of FY18. In the case of Banducci, it reflects his tenure as CEO, with his first LTI as CEO tested at the end of FY19 and vesting at 78% of maximum with the shares allocated in August 2019.<sup>36</sup>

There was less movement in average and median reported pay than realised pay, with average reported pay for ASX100 CEOs down less than 1% to \$5.08mn, and median reported pay down 1.1%. The median was lower than the record level of FY17 (\$4.73mn) but was still the fourth highest in the 19 years of ACSI's CEO pay study. The lack of variation in median reported pay for ASX100 CEOs since FY07 is shown in graph 2 below after a step change in median pay levels between FY06 and FY07.

Graph 2: Median reported pay for ASX100 CEOs FY07 – FY19



<sup>35</sup> See Appendix D for full data over the period 2001 to 2019.

<sup>36</sup> The realised equity value received by Banducci on vesting of deferred annual bonuses and his FY17 LTI in August 2019 was just under \$10mn. See Woolworths Limited, 2019 Annual Report, pp.49,64-65; Change of director's interest notice, 3 September 2019.

Table 10: 10 highest-paid ASX101-200 CEOs on a reported pay basis in FY19

Rank	CEO	Company	Reported pay (FY18 rank)	Realised pay (FY19 rank)
1	Ian Testrow	Emeco Holdings	\$11,439,633 (4)	\$6,646,923 (7)
2	Mark McInnes	Premier Investments	\$6,153,624 (2)	\$9,155,382 (5)
3	Alistair Field	Sims	\$5,135,805 (N/A)	\$4,198,903 <sup>37</sup> (15)
4	Ryan Stokes	Seven Group	\$4,846,088 (3)	\$3,028,056 <sup>38</sup> (24)
5	Paul Weightman	Cromwell Property	\$3,935,651 (16)	\$3,260,788 <sup>39</sup> (21)
6	David Singleton	Austal	\$3,708,694 (N/A)	\$1,932,190 <sup>40</sup> (41)
7	Jeffery Adams	Metcash	\$3,654,068 (N/A)	\$3,434,659 <sup>41</sup> (19)
8	Robert Kelly	Steadfast	\$3,582,922 (13)	\$14,419,677 (4)
9	Lindsay Partridge	Brickworks	\$3,305,363 (10)	\$3,493,864 <sup>42</sup> (18)
10	Kevin Russell	Vocus Group	\$3,228,903 (N/A)	\$1,131,715 <sup>43</sup> (61)

As in FY18, there was a substantial gap between the highest-paid ASX101-200 CEO on a reported-pay basis – Emeco's Ian Testrow in FY19 – and the rest of the sample (in FY18, APT's Hancock had reported pay of \$12.67mn that was 86% higher than the next highest). In both FY18 and FY19, Premier's Mark McInnes was the second highest-paid ASX101-200 CEO on a reported-pay basis. The high reported pay for Testrow was driven by the cumulative expense associated with two very large equity incentive allocations from FY17 and FY19. The FY19 allocation, approved at the 2018 AGM, had a face value at the time of the AGM of just under \$16mn. These allocations vest between August 2019 and August 2023.

The significant overlap between the realised and reported pay Top 10s apparent in the ASX100 sample was also apparent in FY19: Of the Top 10 reported-pay ASX101-200 CEOs, three – Testrow, McInnes and Kelly – were included in the realised pay Top 10 and another three were included in the realised-pay Top 20.

High reported pay is generally consistent with high realised pay; in FY19, the only two Top 10 reported-pay CEOs with realised pay for FY19 below \$2mn were Austal's David Singleton and Vocus's Kevin Russell. In the case of Russell, this reflects the expensing of options granted to him when he became CEO (FY19 was his first full year in office). Singleton had equity incentives from FY17, which were partially expensed in FY19, vest in September 2019 with a value at vesting of \$4.98mn.<sup>44</sup>

The other new entrants to the ASX101-200 sample in FY19 included in the reported-pay Top 10, other than Russell and Singleton, were Sims' CEO Alistair Field and Metcash's Jeffery Adams. FY19 was the first full year in office for both men as CEO; their inclusion partly reflects high levels of cash pay, with Adams receiving \$3.43mn in fixed pay and cash bonuses for FY19, and Field (CEO of Sims from August 2017) \$2.94mn, including various non-monetary benefits.

<sup>37</sup> Sims Limited, 2019 Annual Report, pp.48,53,55.

<sup>38</sup> Seven Group Holdings Limited, 2019 Annual Report, pp.83,91-92.

<sup>39</sup> Cromwell Property Group, 2019 Annual Report, pp.58,64-65; 2018 Annual Report, p.54.

<sup>40</sup> Austal Limited, 2019 Annual Report, pp.33-35,39,55.

<sup>41</sup> Metcash Limited, 2019 Annual Report, pp.50,57-58.

<sup>42</sup> Brickworks Limited, 2019 Annual Report, pp.48,54; Change of director's interest notice, 27 September 2018.

<sup>43</sup> Vocus Group Limited, 2019 Annual Report, pp.18,20-21.

<sup>44</sup> Change of director's interest notice, 13 September 2019.

Table 11: Average, median and outliers for ASX101-200 reported CEO pay<sup>45</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$1,899,523	\$2,033,295	\$1,711,379	\$1,518,654	-6.6%	2.1%	2.8%
Average	\$2,176,210	\$2,322,846	\$2,341,142	\$1,700,321	-6.3%	-1.5%	3.1%
Highest	\$11,439,633	\$12,672,444	\$19,588,095	\$4,924,362			
Lowest	\$407,847	\$390,707	-\$386,999	\$365,053			
Median incumbent	\$1,887,072	\$2,121,173					
Average incumbent	\$2,209,922	\$2,249,955					

Recurring inclusion in the reported-pay Top 10 is also usually consistent with high pay. Of the six ASX101-200 CEOs included in the reported-pay Top 10 who were also in the FY18 study, none was ranked lower on reported pay in FY18 than 16<sup>th</sup> (Cromwell's Paul Weightman) and none received less than \$3mn in realised pay for FY19.

The increases in realised pay across the ASX101-200 sample were not matched by increases in reported pay: both the average and median reported pay for ASX101-200 CEOs fell in FY19, with the average declining 6.3% to \$2.18mn and the median 6.6% to \$1.9mn.

The FY19 median was still, however, the second highest reported in the history of the ASX101-200 study, behind only FY18. The decline was not driven by changes in the sample; median reported pay for the 52 incumbent CEOs was down 11%, although the average for incumbents fell a more modest 1.8%. There were eight ASX101-200 CEOs with reported pay below \$1mn in FY19 (11% of the sample), up from six of 77 (7.8%) in FY18. Fewer CEOs had reported pay of \$2.5mn or more in FY19, with a quarter (18 of 73) above this level, down from almost a third (25 of 77) in FY18.

<sup>45</sup> Full data on reported pay for the period FY11 – FY19 is available in Appendix H.



# FIXED PAY

In FY19 ASX100 CEO fixed pay was effectively flat with median CEO fixed pay down 1.3% to \$1.765mn (the lowest outcome since FY15) and the average steady at \$1.892mn.

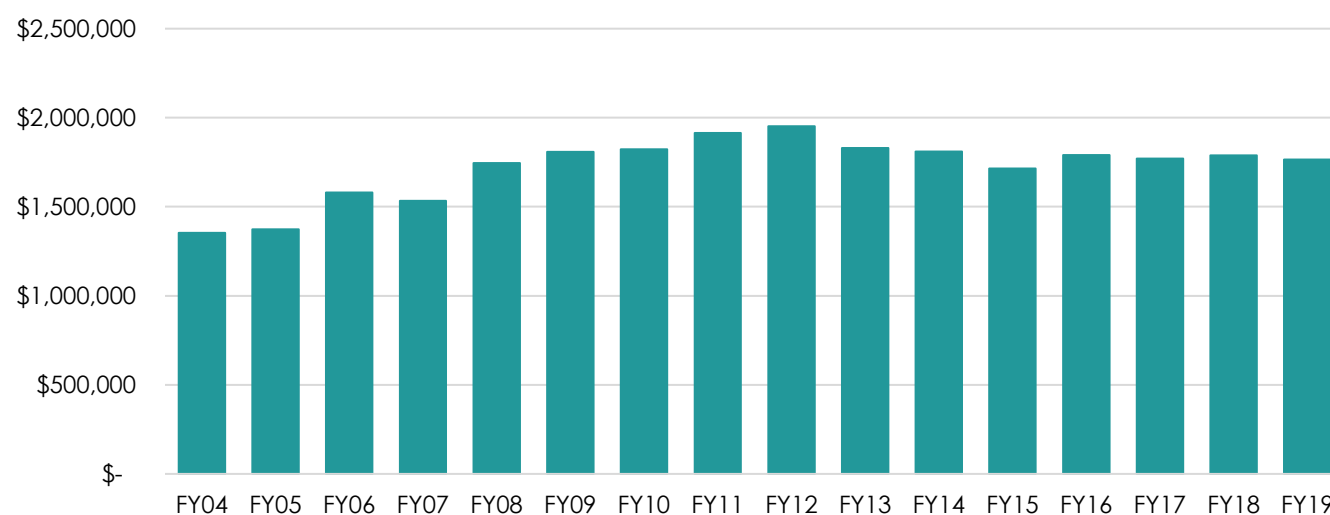
This continues a trend of flat, or declining, ASX100 CEO fixed pay that began in FY12, with median fixed pay falling from the FY12 record of \$1.95mn to \$1.76mn in FY19 and remaining below \$1.8mn for the past five years (between June 2012 and June 2019 CPI rose 14.3%).

This decline has been driven through the retirement of CEOs and their replacement with lower-paid successors: the median fixed pay of an incumbent ASX100 CEO in FY19 rose 9.2% to \$2mn, and the median incumbent ASX100 CEO had fixed pay 11.3% higher than the sample as a whole. In FY19, there were 36 ASX100 CEOs (43.4% of the sample) with fixed pay of above \$2mn, up from 33 (40.7% of the sample) in FY18.

Table 12: Average, median and outliers for ASX100 CEO fixed pay<sup>46</sup>

	FY19	FY18	FY14	FY09	One-year change	Five-year p.a. change	10-year p.a. change
Median	\$1,764,900	\$1,788,000	\$1,810,000	\$1,807,561	-1.3%	-0.5%	-0.2%
Average	\$1,892,122	\$1,883,744	\$1,929,122	\$2,016,923	0.4%	-0.4%	-0.6%
Highest	\$4,656,712	\$4,746,633	\$5,385,916	\$8,981,956			
Lowest	\$346,771	\$750,000	\$343,573	\$223,877			
Median incumbent	\$1,999,500	\$1,830,931					
Average incumbent	\$1,970,763	\$1,916,039					

Graph 3: ASX100 median CEO fixed pay FY04 – FY19



<sup>46</sup> Full data on ASX100 CEO fixed pay for the period FY01 – FY19 is available in Appendix A.

Table 13: Average, median and outliers for ASX101-200 CEO fixed pay<sup>47</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$958,061	\$937,740	\$930,632	\$823,493	2.2%	0.6%	1.9%
Average	\$1,032,482	\$1,026,024	\$1,200,266	\$930,358	0.6%	-3%	1.3%
Highest	\$2,500,000	\$2,654,410	\$5,718,958	\$3,007,279			
Lowest	\$407,847	\$385,933	\$357,009	\$280,351			
Median incumbent	\$958,527	\$936,680					
Average incumbent	\$1,038,913	\$1,006,924					

The split between incumbents and the sample as a whole was not apparent in the ASX101-200: The median and average for incumbents was effectively the same as for the whole sample, with median ASX101-200 CEO fixed pay increasing 2.2% to \$958,061 – the highest recorded in the nine years of the ASX101-200 study (the previous record median was \$955,688 in FY17). The average was flat, at \$1.03mn.

Over the nine years of the ASX101-200 study, median fixed pay has increased from \$823,493 in the first year to \$958,061, keeping pace with a 15.7% increase in inflation from June 2011 to June 2019. This may indicate that the 'wage restraint' imposed on ASX100 CEOs over the past decade has been confined to larger companies.

In FY19, 12 ASX200 CEOs had fixed pay of \$2.5mn or more, with 11 in the ASX100, (FY18: 14) and one in the ASX101-200.

Table 14: CEOs with fixed pay of \$2.5mn or more in FY19

CEO	Fixed pay	Cohort
Stuart Irving (Computershare)	\$4,656,712 <sup>48</sup>	ASX100
John Alexander (Crown)	\$3,707,169 <sup>49</sup>	ASX100
Michael Clarke (Treasury Wine Estates)	\$3,282,815	ASX100
Peter Botten (Oil Search)	\$3,256,171	ASX100
Andrew Mackenzie (BHP)	\$3,110,583	ASX100
Peter Coleman (Woodside Petroleum)	\$2,895,586	ASX100
Andrew Bassat (Seek)	\$2,882,446 <sup>50</sup>	ASX100
Brad Banducci (Woolworths)	\$2,748,079	ASX100
Brian Hartzler (Westpac Banking Corp.)	\$2,715,370 <sup>51</sup>	ASX100
JS Jacques (Rio Tinto)	\$2,711,864	ASX100
Rob Scott (Wesfarmers)	\$2,583,349 <sup>52</sup>	ASX100
Mark McInnes (Premier Investments)	\$2,500,000	ASX101-200

<sup>47</sup> Full data on ASX101-200 CEO fixed pay is available in Appendix E.

<sup>48</sup> Computershare Limited, 2019 Annual Report, p.54.

<sup>49</sup> Crown Resorts Limited, 2019 Annual Report, p.74.

<sup>50</sup> Seek Limited, 2019 Annual Report, p.33.

<sup>51</sup> Westpac Banking Corporation, 2019 Annual Report, p.67.

<sup>52</sup> Wesfarmers Limited, 2019 Annual Report, p.101.

The CEO with the highest fixed pay in FY19 was Computershare's Stuart Irving. His fixed pay of \$1.86mn, set in October 2018, was more than doubled by the cost to shareholders of expatriate arrangements associated with his relocation to the UK. The largest component of these were rental costs, which are due to end in FY20. The CEO with the highest fixed pay in the FY18 sample, Amcor's Ron Delia, was not included in the FY19 sample due to Amcor's merger with Bemis and restructure into a Jersey-domiciled company with its primary listing on NYSE. As a result, Amcor no longer discloses executive pay on the same basis as Australian companies although Delia's fixed pay in FY19, at US\$3.09mn, continued to be bolstered by substantial costs related to expatriate arrangements.<sup>53</sup>

The three other ASX100 CEOs who received fixed pay above \$2.5mn in FY18 who were not included in FY19 were AGL's former CEO Andy Vesey, Ramsay Health Care's Craig McNally (whose FY18 fixed pay included a substantial increase in the value of his accrued leave due to his increased salary as CEO) and Magellan's Hamish Douglass who, in response to shareholder concerns, reduced his fixed pay substantially in FY19.

Generous non-monetary benefits also contributed to the total fixed pay of both Michael Clarke (Treasury Wine) and Peter Botten (Oil Search), although both men had fixed pay well above \$2mn for FY19. The inclusion of Seek's Andrew Bassat reflects a combination of cash fixed pay – \$2.51mn – and accrual of leave. The only ASX101-200 CEO in the group of CEOs with fixed pay of \$2.5mn was Premier's McInnes, who also received \$2.5mn or more in FY18; his ASX101-200 peer in FY18, Tim Worner, was not part of the FY19 sample. The only CEO in the FY19 list to not receive fixed pay of more than \$2.5mn in FY18 was Wesfarmers' Rob Scott, who had his fixed pay set at \$2.5mn per annum on commencement in November 2017.

There were only six ASX100 CEOs with fixed pay below \$1mn in FY19 (FY18: eight), with the lowest fixed pay received by Afterpay's David Hancock; he was the only ASX100 CEO to receive fixed pay below \$500,000 and had the lowest fixed pay of any ASX101-200 CEO in the FY18 sample. Among the FY19 ASX101-200 sample, only three CEOs received fixed pay below \$500,000 (FY18: four), with ARB's Andrew Brown the lowest paid.

The proportion of ASX101-200 CEOs receiving fixed pay of more than \$1mn fell in FY19, despite median fixed pay increasing slightly, from 46.7% of the sample in FY18 to 42.5% in FY19 (there were 14 ASX101-200 CEOs with fixed pay of between \$900,000 and \$1mn in FY19, up from nine in FY18).

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<sup>53</sup> Amcor Plc, Proxy statement and related materials, 25 September 2019, pp.23-24.

# BONUSES

For the first time in the five years ACSI has collected data on bonuses awarded as a proportion of maximum, the median ASX100 CEO received less than 69% of maximum.

The median bonus awarded as a proportion of maximum fell across both the ASX100 and the ASX101-200. In the ASX100, it fell from 70% to 60% in FY19, and from 75.7% to 60% of maximum in the ASX101-200. In the ASX100, this represents a significant change from the period FY15 - FY18, when the median bonus awarded as a proportion of maximum ranged between 68.6% and 70.5%.

Another metric of bonus outcomes – the number of CEOs receiving no bonus – also rose sharply in FY19 relative to FY18.

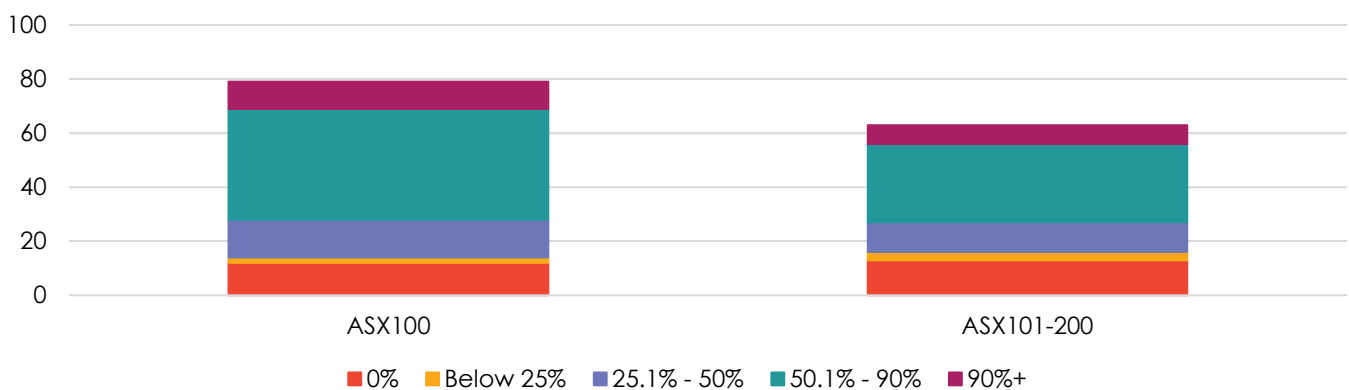
Of the 156 CEOs in the sample, 146 were eligible for a bonus in FY19 and 25 received zero, up from just seven in FY18. In the ASX100, 12 CEOs received zero bonus – up from just one in FY18, while 13 received zero in the ASX101-200 (FY18: six). The proportion of CEOs receiving zero bonus in the ASX100, 14.5%, was at its highest level since FY16.<sup>54</sup>

Graph 4 below indicates the distribution of bonus outcomes is still skewed heavily to the upside: in FY19, 64.6% of ASX100 CEOs for whom data is available received more than half of maximum bonus, while for ASX101-200 CEOs it was 57.1%. This still constitutes a significant shift from FY18 when 80.8% of ASX100 CEOs received above half of maximum; in FY18 75% of ASX101-200 CEOs received half or more of maximum bonus.

Table 15: CEO bonuses as a proportion of maximum FY15 – FY19<sup>55</sup>

	FY15	FY16	FY17	FY18	FY19
ASX100 average	68.5%	64.4%	66.4%	68.1%	55.9%
ASX100 median	70.0%	68.6%	70.5%	70.0%	60%
ASX 101-200 average	49.7%	60.9%	59.1%	67.9%	53%
ASX101-200 median	58.2%	75.0%	69.0%	75.7%	60%

Graph 4: Distribution of FY19 ASX100 & ASX101-200 bonuses as a proportion of maximum



<sup>54</sup> Of the 83 ASX100 CEOs, 80 were eligible for a bonus while 66 of the 73 ASX101-200 CEOs were eligible for a bonus.

<sup>55</sup> Data on bonuses awarded as a proportion of maximum was available for 79 ASX100 CEOs in FY19 and 63 ASX101-200 CEOs.

Table 16: ASX200 CEOs receiving maximum bonus in FY19

CEO	Awarded bonus	Cohort	FY18 outcome
Hamish Douglass (Magellan Financial Group)	\$5,000,000 <sup>56</sup>	ASX100	91%
Michael Clarke (Treasury Wine Estates)	\$3,900,000	ASX100	100%
Andrew Harding (Aurizon Holdings)	\$2,576,000 <sup>57</sup>	ASX100	82.2%
Mark McInnes (Premier Investments)	\$2,500,000	ASX101-200	73.6%
David Harrison (Charter Hall)	\$2,145,000 <sup>58</sup>	ASX100	82%
Darren Steinberg (Dexus Property Group)	\$2,000,000 <sup>59</sup>	ASX100	92%
Robert Kelly (Steadfast)	\$1,522,500	ASX101-200	92.2%
Thomas Beregi (Credit Corp Group)	\$700,000 <sup>60</sup>	ASX101-200	95%
Aram Mirkazemi (Altium)	\$524,256 <sup>61</sup>	ASX100	87.3%
David Hancock (Afterpay)	\$300,000 <sup>62</sup>	ASX100	100%

Ten ASX200 CEOs received maximum bonus outcomes in FY19, seven of them in the ASX100 (FY18: five) and three in the ASX101-200 (FY18: four).<sup>63</sup> The full list of CEOs who received 100% of maximum for FY19 (Table 16) also shows that CEOs who received maximum in FY19 received close to maximum in FY18. The only CEO to receive maximum in FY19, but less than 82% in FY18, was Premier's Mark McInnes. The CEO of Treasury Wine, Michael Clarke, continued his remarkable record of receiving maximum bonus for every full year he has been Treasury's CEO – FY15, FY16, FY17, FY18 and FY19.

Other persistent performers include Dexus's Darren Steinberg who, in the period FY14 – FY19, has never received less than 76% of maximum (and only twice received less than 88%) and Credit Corp's Thomas Beregi, who in FY17 received 100% of maximum.

Of the three ASX100 CEOs (other than Clarke) who received 100% of maximum in FY18, Adelaide Brighton's Martin Brydon effectively received it as part of his termination arrangements. The other two were Crown's now-departed John Alexander, who received zero in FY19, and TPG Telecom's executive chair David Teoh, whose FY19 bonus was 85% of maximum.<sup>64</sup>

Since FY11, the ACSI study has distinguished between 'cash bonuses' – bonuses where the full amount is accrued and awarded in a single year – and 'bonuses awarded' where part of the amount is deferred, often into equity, and vests over several years. This also captures the trend toward listed entities such as Telstra, Wesfarmers and Woodside adopting combined incentive plans, where performance against a yearly bonus scorecard drives both short and long-term incentive awards.

<sup>56</sup> Magellan Financial Group Limited, 2019 Annual Report, p.25.

<sup>57</sup> Aurizon Holdings Limited, 2019 Annual Report, p.31.

<sup>58</sup> Charter Hall Group, 2019 Annual Report, p.19.

<sup>59</sup> Dexus Property Group, 2019 Annual Report, p.81.

<sup>60</sup> Credit Corp Group Limited, 2019 Annual Report, pp.19,23.

<sup>61</sup> Altium Limited, 2019 Annual Report, pp.23,26.

<sup>62</sup> The bonus for Hancock and other APT executives was accrued at maximum but payment was delayed until November 2019 until the outcomes of the final report of the external audit required by AUSTRAC were released. See Afterpay Limited, 2019 Annual Report, p.43.

<sup>63</sup> This excludes Northern Star's Bill Beament who was not eligible for a bonus in FY19 but received a discretionary payment of \$160,000 for completing the Pogo acquisition during FY19. Northern Star Resources Limited, 2019 Annual Report, pp.62,66-67.

<sup>64</sup> TPG Telecom Limited, 2019 Annual Report, p.23.

Table 17: Awarded bonuses for ASX100 CEOs<sup>65</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$1,653,837	\$1,606,648	\$1,516,985	\$1,500,000	2.9%	1.7%	1.2%
Average	\$1,866,192	\$2,002,305	\$1,964,975	\$1,657,376	-6.8%	-1%	1.5%
Highest	\$6,493,709	\$18,104,604	\$11,948,209	\$9,002,180			
Median incumbent	\$1,848,000	\$1,647,540					
Average incumbent	\$1,925,618	\$1,894,480					

In FY19, the average bonus awarded fell 6.8% for ASX100 CEOs, largely due to the exclusion of Macquarie from the sample (former Macquarie CEO Moore had received the highest awarded bonus for several consecutive years). Moore's FY18 awarded bonus (described by MQG as a 'profit share') was at \$18.1mn, well over double that of the next highest allocation.

The highest bonuses awarded in FY19 were all for CEOs participating in 'combined incentive' arrangements. Wesfarmers' Rob Scott received the highest award, followed by Telstra's Andrew Penn (\$5.34mn) and Woodside's Peter Coleman (\$5.27mn).<sup>66</sup> In all three cases, a significant proportion of the incentive awarded will be delivered as long-term incentives which will vest, or lapse, based on performance against specified targets over several years.

Among the ASX101-200 sample, the average bonus awarded also declined, falling 3.4% to \$563,011, although the median rose 6.4% to \$450,000. This was driven by a decline in the number of bonuses awarded above \$1mn, from nine in FY18 (although none were above \$2mn) to five in FY19. The highest bonus awarded in the ASX101-200 cohort went to Premier's McInnes; the CEO who had the highest award in FY18, Nine Entertainment's Hugh Marks, was part of the ASX100 sample in FY19 but his bonus of \$966,000 was almost half his FY18 award.<sup>67</sup>

Table 18: Awarded bonuses for ASX101-200 CEOs<sup>68</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$450,000	\$423,056	\$380,150	\$400,000	6.4%	3.4%	1.5%
Average	\$563,011	\$582,847	\$671,250	\$474,394	-3.4%	-3%	2.2%
Highest	\$2,500,000	\$1,904,000	\$5,169,863	\$2,665,000			
Median incumbent	\$520,919	\$416,306					
Average incumbent	\$576,928	\$560,304					

<sup>65</sup> Full data on ASX100 CEO bonuses is available in Appendix B. Average and median bonus data are conditional on a bonus having been awarded.

<sup>66</sup> Wesfarmers Limited, 2019 Annual Report, p.96 & Telstra Corporation Limited, 2019 Financial Report, p.E-28.

<sup>67</sup> Nine Entertainment Co. Holdings Limited, 2019 Annual Report, pp.45,47.

<sup>68</sup> Full data on ASX101-200 CEO bonuses is available in Appendix F.

Table 19: Cash bonuses for ASX100 CEOs<sup>69</sup>

	FY19	FY18	FY14	FY09	One-year change	Five-year p.a. change	10-year p.a. change
Median	\$939,593	\$927,159	\$1,065,009	\$1,206,662	1.3%	-2.5%	-2.5%
Average	\$1,051,938	\$1,086,278	\$1,345,662	\$1,564,273	-3.2%	-4.8%	-3.9%
Highest	\$3,140,907	\$3,888,551	\$7,766,336	\$8,238,246			
Lowest	\$130,092	\$250,000	\$152,000	\$223,877			
Median incumbent	\$1,005,768	\$1,015,000					
Average incumbent	\$1,113,425	\$1,112,665					

The median cash bonus for ASX100 CEOs rose 1.3% in FY19, to \$939,593 (it was last above \$1mn in FY17), while the average (again, in part due to the departure of Macquarie's Nicholas Moore from the sample), fell 3.2% to \$1.05mn (the median and average for incumbent CEOs was flat in FY19).

The long term decline in ASX100 CEO cash bonuses, largely due to the rising incidence across the ASX of bonus deferral into equity, is apparent: The FY19 median cash bonus, if FY18 is excluded, was the lowest since FY04, while the average cash bonus for FY19 was the lowest since FY02 (the second year of the ACSI study).

There were five ASX100 cash bonuses above \$2mn in FY19 (FY18: four), but two of the three CEOs who received the highest-awarded bonuses (Wesfarmers' Scott and Woodside's Coleman) received – by ASX100 CEO standards – minimal cash: Scott received \$250,000 and Coleman zero.

In the ASX101-200 cohort, the median and average cash bonus rose, with the median increasing 7.8% to \$404,363 and the average 5.4% to \$504,049. This was consistent with a general increase across the sample – the median and average cash bonuses for incumbents also rose by similar amounts to the total sample.

The FY19 median cash bonus was the highest in the nine years of the ASX101-200 study, surpassing the previous record in FY16 of \$386,223. The highest cash bonus in the FY19 study, as in FY18, was received by Premier's McInnes; the only other cash bonus to an ASX101-200 CEO above \$1mn was paid to Metcash's Jeffery Adams (while the average cash bonus increased in FY19, only those two received \$1mn+ cash bonuses – in FY18 there five in the ASX101-200 sample who received cash bonuses above \$1mn).

Table 20: Cash bonuses for ASX101-200 CEOs<sup>70</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$404,363	\$375,000	\$334,500	\$376,915	7.8%	3.9%	0.9%
Average	\$504,049	\$478,026	\$609,010	\$421,576	5.4%	-3.7%	2.3%
Highest	\$2,500,000	\$1,840,000	\$5,169,863	\$1,500,000			
Median incumbent	\$404,363	\$360,433					
Average incumbent	\$496,660	\$459,003					

<sup>69</sup> See Appendix B for full data.

<sup>70</sup> See Appendix F for full data.

In FY19, five CEOs received cash bonuses of \$2.5mn or more, four of them in the ASX100. The highest cash bonus went to Sonic Healthcare's Colin Goldschmidt; along with CSL's Perreault and Premier's McInnes, no part of their annual bonus was deferred.

The substantial cash bonus for AMP's De Ferrari includes a \$1.7mn 'sign-on' payment; his cash bonus awarded for FY19 was \$1.32mn.

Table 21: Cash bonuses of \$2.5mn or more

CEO	Cash bonus	Cohort	As % of maximum
Colin Goldschmidt (Sonic Healthcare)	\$3,140,907	ASX 100	72.2%
Francesco De Ferrari (AMP)	\$3,020,000	ASX 100	62.5%
Paul Perreault (CSL)	\$2,767,211	ASX 100	62.8%
Michael Clarke (Treasury Wine Estates)	\$2,600,000	ASX 100	100%
Mark McInnes (Premier Investments)	\$2,500,000	ASX 101-200	100%



# CASH PAY

Table 22: Cash pay for ASX100 CEOs<sup>71</sup>

	FY19	FY18	FY14	FY09	One-year change	Five-year p.a. change	10-year p.a. change
Median	\$2,688,900	\$2,841,711	\$2,892,000	\$2,853,198	-5.4%	-1.4%	-0.6%
Average	\$2,743,209	\$2,919,156	\$3,164,908	\$3,397,328	-6%	-2.8%	-2.1%
Highest	\$5,882,815	\$6,236,722	\$13,152,252	\$14,931,956			
Lowest	\$516,885	\$750,000	\$657,073	\$239,295			
Median incumbent	\$2,769,709	\$2,870,862					
Average incumbent	\$2,850,436	\$2,946,042					

Median cash pay for ASX100 CEOs fell in FY19, with the average down 6%, and the median 5.4% lower. This decline was widespread, with cash pay for incumbents also declining but not as substantially as for the whole sample.

The decline reflects fewer CEOs receiving bonuses than in FY18, that those bonuses were a lower proportion of maximum, minimal changes in fixed pay (the denominator of bonuses) and the ongoing trend away from cash bonuses noted above.

Median cash pay for an ASX100 CEO in FY19 at \$2.69mn, was the lowest since FY16 and 8.7% lower than the record of \$2.95mn in FY11. Average cash pay, at \$2.74mn, was the lowest since FY04.

Among the ASX101-200 cohort, average and median cash pay fell slightly, with the decline in the median reflecting changes in the sample (median cash pay among the 52 incumbent ASX101-200 CEOs rose 3.4% to \$1.28mn). A contributor to the decline in cash pay across the sample was an increased proportion of ASX101-200 CEOs receiving no cash bonus, rising from 14 of 77 in FY18 to 21 of 73 in FY19.

Table 23: Cash pay for ASX101-200 CEOs<sup>72</sup>

	FY19	FY18	FY14	FY11	One-year change	Five-year p.a. change	Eight-year p.a. change
Median	\$1,255,187	\$1,262,389	\$1,283,925	\$1,157,000	-0.6%	-0.5%	1%
Average	\$1,392,896	\$1,417,176	\$1,687,739	\$1,245,622	-1.7%	-3.8%	1.4%
Highest	\$5,000,000	\$4,494,410	\$8,028,508	\$4,507,279			
Lowest	\$407,847	\$390,707	\$357,009	\$365,053			
Median incumbent	\$1,283,464	\$1,241,685					
Average incumbent	\$1,382,755	\$1,413,025					

<sup>71</sup> Full data on cash pay for ASX100 CEOs for the period FY01 – FY19 is available in Appendix C.

<sup>72</sup> Full data on cash pay for ASX101-200 CEOs for the period FY11 – FY19 is available in Appendix G.

Table 24: Distribution of cash pay in the ASX100 and the ASX101-200

Range	ASX100 CEOs (FY18)	ASX101-200 CEOs (FY18)
Less than \$1m	3 (2)	21 (19)
\$1m - \$2m	21 (16)	44 (47)
\$2m - \$3m	30 (28)	6 (9)
\$3m - \$4m	16 (23)	1 (1)
\$4m - \$5m	8 (7)	0 (1)
More than \$5m	5 (5)	1 (0)

The decline in cash pay in FY19 for ASX200 CEOs should not obscure that CEOs of these entities continue to routinely receive large amounts of cash. In FY19, for example, 71.1% of the ASX100 sample received more than \$2mn in cash pay (with 15.7% receiving more than \$4mn), while 71.2% of ASX101-200 CEOs received cash pay of more than \$1mn.

As noted in past years, high cash pay – including high cash bonuses – is problematic because it allows executives to insulate themselves from risks faced by investors. A CEO who repeatedly receives annual cash pay of \$3mn or more will suffer minimal real loss should the company over which they preside experience a substantial decline in performance. Of the 29 ASX100 CEOs who received cash pay of \$3mn or more in FY19, 23 also received more than \$3mn in FY18.

Table 25 below shows the six ASX200 CEOs who received cash pay in FY19 of \$5mn or more. The lowest amount of cash received over the past three years, by any of the five men who were CEOs for all that period, was \$10.91mn by Computershare's Irving (as noted above, the jump in Irving's cash pay between FY17 and FY18/FY19 was largely due to generous arrangements associated with his relocation to the UK).

Over the past three years, three of these CEOs have collected more than \$15mn in cash or cash equivalents: CSL's Perreault (\$17.16mn), Treasury's Michael Clarke (\$16.52mn) and Sonic's Goldschmidt (\$15.87mn). This creates a significant buffer of personal wealth should the company's performance or share price subsequently decline.

Table 25: ASX200 CEOs receiving \$5m or more in cash pay in FY19

CEO	Company	FY19 cash pay	FY18 cash pay	FY17 cash pay
Michael Clarke	Treasury Wine Estates	\$5,882,815	\$5,900,605	\$4,741,072
Stuart Irving	Computershare	\$5,852,986	\$3,313,652	\$2,014,989
Colin Goldschmidt	Sonic Healthcare	\$5,577,569	\$5,127,078	\$5,165,861
Francesco De Ferrari	AMP	\$5,235,000	N/A	N/A
Paul Perreault	CSL	\$5,207,309	\$6,236,722	\$5,711,969
Mark McInnes	Premier Investments	\$5,000,000	\$4,494,410	\$5,161,200

# TERMINATION PAYMENTS

In FY19, 14 termination payments to departing CEOs cost shareholders a total of \$18.35mn, down from the \$26.08mn incurred in FY18.

Across the 14 termination payments included in the FY19 study (FY18: 15), six exceeded \$1mn. Five of those were in the ASX100, in line with FY18, and just one in the ASX101-200 sample, down from three in FY18.

An increasing feature of termination payments, highlighted in FY19, are the payments received by a CEO as an employee after stepping down as CEO.

Disclosure of these payments is largely at the discretion of the company because, after stepping down from the position of CEO, they fall outside of the statutory disclosure net which relates to 'key management personnel' (KMP).

Of the 14 payments in the FY19 study, eight involved fixed pay received after stepping down as CEO but before formally ceasing employment. As an example, former Macquarie CEO Nicholas Moore remained a Macquarie employee for almost eight months after stepping down as CEO on 30 November 2018 before his formal retirement on 24 July 2019; his pay during this period did not need to be disclosed.<sup>73</sup>

Table 26: Termination payments for ASX100 CEOs<sup>74</sup>

Financial year	Total	Number	Minimum	Maximum
FY08	\$83.03m	13	\$793,333	\$18.31m <sup>75</sup>
FY09	\$34.56m	13	\$168,000	\$6.39m
FY10	\$5.70m	5	\$513,079	\$1.68m
FY11	\$35.02m	12	\$566,667	\$10.90m
FY12	\$19.06m <sup>76</sup>	13	\$150,000	\$4.57m
FY13	\$11.81m <sup>77</sup>	9	\$141,459	\$2.81m
FY14	\$25.93m	9	\$281,644	\$13.59m
FY15	\$24.17m	8	\$30,315	\$6.68m
FY16	\$17.88m	9	\$855,000	\$4.38m
FY17	\$26.14m	12	\$832,089	\$6.27m
FY18	\$17.21mn <sup>78</sup>	9	\$631,818	\$5.36mn
FY19	\$13.48mn	7	\$34,698	\$3.92mn

<sup>73</sup> Macquarie Group Limited, 2020 Annual Report, pp.116-17. For the eight months he was CEO for FY19 Moore received a cash profit share of \$2.615mn and another \$10.468mn in deferred profit share, mostly allocated to Macquarie shares, that will be released over the two years following his retirement subject to him complying with various non-compete and non-solicitation conditions. See the 2019 Annual Report, pp.78. His fixed pay received until July 2019 and his cash profit share for eight months of FY19 are included in the termination payments above.

<sup>74</sup> Termination payments include bonuses for part year worked, the value of long-term incentives that vest solely due to 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>75</sup> This payment, to former Santos CEO John Ellice-Flint, includes \$14.592m 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 were exercised. The cash termination payments were \$3.718m.

<sup>76</sup> Figures disclosed in currencies other than AUD were converted into AUD using the exchange rate on the disclosed date of departure.

<sup>77</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>78</sup> The FY18 total was restated from \$16.28mn to \$17.21mn to include additional termination payments for former Adelaide Brighton CEO Martin Brydon disclosed in the 2019 annual report. These were a \$366,962 bonus paid at 100% of maximum for three months as an employee and his accrued leave entitlements of \$560,627 paid out on departure. This also saw the highest termination payment for FY18 restated upwards, from \$4.43mn to \$5.36mn.

Additional data disclosed in FY19 by Adelaide Brighton saw FY18's highest termination payment, \$4.43mn to former CEO Martin Brydon, restated upwards to \$5.36mn. This was because Brydon, in FY19, received another bonus of \$367,000, despite formally ceasing employment at the end of March 2019 (he stepped down as CEO at the end of January), as well as having the value of his accrued leave, previously not disclosed as part of his pay, paid out on departure. Brydon was the only disclosed ABC executive to receive a bonus for FY19.

The highest termination payment paid in FY19 was that to AGL's Andy Vesey. His \$3.92mn payment included:

- Fixed pay of \$812,500 for the period from the end of August 2018 (when he departed as CEO) to 31 December 2018;
- A bonus for six months of FY19 of \$677,580; and
- A termination payment of \$2.43mn – including a full 12 months' fixed pay in lieu of notice despite Vesey remaining an AGL employee until 31 December 2018, more than four months after his departure was announced.<sup>79</sup>

Other notable termination payments in the ASX100 cohort included \$2.36mn to former Suncorp CEO Michael Cameron, including a bonus for FY19 (he departed as CEO in May 2019), payment until the end of his employment in August 2019 and the remainder of his notice period not worked.<sup>80</sup>

Former Challenger CEO Brian Benari received \$1.69mn in termination payments after stepping down as CEO at the start of January 2019; the bulk of this was a \$1.02mn bonus despite Challenger downgrading FY19 earnings guidance on 23 January 2019.<sup>81</sup>

The only ASX101-200 CEO to receive more than \$1mn in termination payments in FY19 was former IOOF CEO Chris Kelaher, who left IOOF following the Financial Services Royal Commission and APRA's (ultimately unsuccessful) legal action against IOOF, Kelaher and other directors and executives. The payment to Kelaher, who was on a leave of absence from IOOF from December 2018, included three months' fixed pay following his April 2019 resignation, as well as another \$1.27mn as a termination payment, equivalent to his annual fixed pay.<sup>82</sup>

The next-largest termination payment in the ASX101-200 was to another CEO who departed in less than ideal circumstances – Eclix Group's 'Doc' Klotz. He received \$900,000 on departure after Eclix's would-be merger partner, McMillan Shakespeare, identified issues with ECX's accounts as part of its due diligence.<sup>83</sup>

Table 27: Termination payments for ASX101-200 CEOs

Financial year	Total	Number	Minimum	Maximum
FY11	\$14,945,926	11	\$270,710	\$3,630,000
FY12	\$5,761,582	6	\$72,698	\$2,510,000
FY13	\$5,531,944	5	\$301,926	\$1,532,000
FY14	\$11,809,607	7	\$125,000	\$8,132,985
FY15	\$14,247,979	10	\$202,321	\$2,767,458
FY16	\$6,098,580	8	\$8,314	\$2,888,614
FY17	\$7,484,869	8	\$205,552	\$1,861,000
FY18	\$8,864,960	6	\$664,426	\$2,609,658
FY19	\$4,870,785	7	\$132,952	\$1,576,897

<sup>79</sup> AGL Energy Limited, 2019 Annual Report, pp.63,76-77.

<sup>80</sup> Suncorp Group Limited, 2019 Annual Report, p.74.

<sup>81</sup> Challenger Limited, 2019 Annual Report, pp.28,31.

<sup>82</sup> IOOF Holdings Limited, 2019 Financial Report, pp.20,22,35.

<sup>83</sup> Eclix Group Limited, 2019 Annual Report, p.58.

# APPENDIX A: FIXED PAY DATA

Year	Average		Median		Minimum		Maximum	
	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200
2019	\$1,892,122	\$1,032,482	\$1,764,900	\$958,061	\$346,771	\$407,847	\$4,656,712	\$2,500,000
2018	\$1,883,744	\$1,026,024	\$1,788,000	\$937,740	\$750,000	\$385,933	\$4,746,633	\$2,654,410
2017	\$1,909,500	\$1,041,587	\$1,770,480	\$955,688	\$371,396	\$382,489	\$6,555,254	\$2,740,835
2016	\$1,892,141	\$1,035,243	\$1,790,000	\$864,128	\$362,100	\$378,581	\$6,781,903	\$5,898,856
2015	\$1,865,484	\$1,075,111	\$1,715,087	\$883,233	\$278,238	\$379,455	\$6,979,057	\$5,559,838
2014	\$1,929,122	\$1,200,266 <sup>84</sup>	\$1,810,000	\$930,632	\$343,573	\$357,009	\$5,385,916	\$5,718,958
2013	\$1,948,949	\$1,066,452 <sup>85</sup>	\$1,830,614	\$900,000	\$247,275	\$305,799	\$6,359,705	\$3,935,131 <sup>86</sup>
2012	\$1,900,878	\$973,576	\$1,951,814	\$875,000	\$540,971	\$41,221	\$4,926,208	\$3,003,925
2011	\$1,946,748	\$930,358	\$1,914,050	\$823,493	\$277,638	\$280,351	\$4,573,000	\$3,007,279
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	

(Italicised data 2001-2004 includes News Corp) (ASX101-200 not reported until 2011 onwards)

<sup>84</sup> Average fixed pay includes a termination impact for Lynas Corp's Eric Noyrez of \$1.24m and Pacific Brands' John Pollaers \$1.4m. If these are removed the average fixed pay for FY14 was \$1,165,077.

<sup>85</sup> Average fixed pay includes a 'termination effect' for Seven Group 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>86</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 ASX101-200 sample.

# APPENDIX B: BONUS DATA

## Cash bonuses

	Average		Median		Maximum	
	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200
2019	\$1,051,938	\$504,049	\$939,593	\$404,363	\$3,140,907	\$2,500,000
2018	\$1,086,278	\$478,026	\$927,159	\$375,000	\$3,888,551	\$1,840,000
2017	\$1,277,179	\$565,494	\$1,110,087	\$355,680	\$6,389,286	\$2,889,682
2016	\$1,313,223	\$485,616	\$1,021,000	\$386,223	\$6,645,144	\$2,000,000
2015	\$1,271,251	\$505,987	\$1,162,488	\$329,253	\$6,617,549	\$3,100,000
2014	\$1,345,662	\$609,010	\$1,065,009	\$334,500	\$7,766,336	\$5,169,183
2013	\$1,220,744	\$418,911	\$950,000	\$350,000	\$6,101,360	\$1,166,229
2012	\$1,315,221	\$402,025	\$1,060,095	\$336,500	\$7,245,088	\$1,156,000
2011	\$1,255,212	\$421,576	\$1,098,300	\$376,915	\$3,367,965	\$1,500,000
2010	\$1,584,120		\$1,122,000		\$10,298,586	
2009	\$1,564,273		\$1,206,662		\$8,238,246	
2008	\$2,016,214		\$1,167,645		\$27,223,798	
2007	\$2,260,741		\$1,360,000		\$25,615,987	
2006	\$1,683,252		\$1,005,890		\$15,833,577	
2005	\$1,364,295		\$1,000,000		\$13,892,889	
2004	\$1,293,093		\$900,000		\$13,400,000	
	<i>\$1,671,608</i>		<i>\$911,803</i>		<i>\$17,980,437</i>	
2003	\$1,102,603		\$725,000		\$12,381,000	
	<i>\$1,283,330</i>		<i>\$735,129</i>			
2002	\$902,969		\$468,011		\$10,944,000	
	<i>\$937,347</i>		<i>\$475,000</i>			
2001	\$769,125		\$377,936		\$6,239,739	
	<i>\$871,389</i>		<i>\$386,805</i>			

(Italicised data 2001-2004 includes News Corp) (ASX101-200 not reported until 2011 onwards)

## Awarded bonuses

Year	Average		Median		Maximum	
	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200
2019	\$1,866,192	\$563,011	\$1,653,837	\$450,000	\$6,493,709	\$2,500,000
2018	\$2,002,305	\$582,847	\$1,606,648	\$423,056	\$18,104,604	\$1,904,000
2017	\$2,303,960	\$644,110	\$1,763,623	\$515,902	\$17,236,480	\$2,889,682
2016	\$2,063,479	\$577,978	\$1,485,000	\$486,242	\$17,721,760	\$2,000,000
2015	\$1,949,392	\$623,277	\$1,604,724	\$375,000	\$15,913,613	\$3,100,000
2014	\$1,964,975	\$671,250	\$1,516,985	\$380,150	\$11,948,209	\$5,169,863
2013	\$1,684,571	\$493,473	\$1,290,150	\$397,969	\$9,386,708	\$1,749,344
2012	\$1,736,497	\$422,474	\$1,366,730	\$336,500	\$9,177,417	\$1,359,000
2011	\$1,657,376	\$474,394	\$1,500,000	\$400,000	\$9,002,180	\$2,655,000

(Italicised data 2001-2004 includes News Corp) (ASX101-200 not reported until 2011 onwards)

## APPENDIX C: CASH PAY DATA

Year	Average		Median		Minimum		Maximum	
	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200
2019	\$2,743,209	\$1,392,896	\$2,688,900	\$1,255,187	\$516,885	\$407,847	\$5,882,815	\$5,000,000
2018	\$2,919,156	\$1,417,176	\$2,841,711	\$1,262,389	\$750,000	\$390,707	\$6,236,722	\$4,494,410
2017	\$3,044,666	\$1,504,492	\$2,871,409	\$1,221,300	\$646,396	\$382,489	\$12,944,540	\$5,161,200
2016	\$3,037,698	\$1,427,427	\$2,602,823	\$1,226,000	\$637,100	\$378,581	\$13,427,047	\$6,333,156
2015	\$3,102,883	\$1,413,427	\$2,915,332	\$1,152,253	\$518,238	\$379,455	\$13,596,065	\$6,020,256
2014	\$3,164,908	\$1,687,739	\$2,892,000	\$1,283,925	\$657,073	\$357,009	\$13,152,252	\$8,028,508
2013	\$3,005,935	\$1,347,493	\$2,529,885	\$1,148,587	\$616,972	\$369,159	\$11,107,787	\$3,935,131 <sup>87</sup>
2012	\$2,981,530	\$1,273,000	\$2,888,441	\$1,237,000	\$540,971	\$448,062	\$12,171,296	\$3,363,925
2011	\$3,055,428	\$1,245,622	\$2,945,000	\$1,157,000	\$335,388	\$365,053	\$6,734,522	\$4,507,279
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		\$2,408,309		\$410,437		\$14,692,011	
	\$3,146,703		\$2,408,670			\$29,712,312		
2003	\$2,141,128		\$1,740,537		\$387,472		\$13,393,275	
	\$2,444,368		\$1,773,180			\$25,793,845		
2002	\$2,200,664		\$1,427,877		\$50,575		\$11,922,336	
	\$2,381,356		\$1,447,111			\$16,294,620		
2001	\$1,814,371		\$1,375,000		\$166,457		\$7,823,072	
	\$2,018,190		\$1,422,662			\$14,858,824		

(Italicised data 2001-2004 includes News Corp) (ASX101-200 not reported until 2011 onwards)

<sup>87</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 ASX101-200 sample behind the co-CEOs of Charter Hall at \$3,380,868.

# APPENDIX D: REPORTED PAY DATA

Year	Average		Median		Minimum		Maximum	
	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200	ASX100	ASX101-200
2019	\$5,075,478	\$2,176,210	\$4,526,589	\$1,899,523	\$516,885	\$407,847	\$16,382,276	\$11,439,633
2018	\$5,122,431	\$2,322,846	\$4,574,954	\$1,875,690	\$777,213	\$390,707	\$19,650,083	\$12,672,444
2017	\$5,544,284	\$2,169,956	\$4,728,890	\$1,875,690	\$646,396	\$382,489	\$23,566,967	\$10,090,741
2016	\$5,164,722	\$1,777,343	\$4,196,435	\$1,538,000	\$637,100	\$378,581	\$21,572,743	\$6,487,392
2015	\$4,992,943	\$1,782,417	\$4,066,225	\$1,471,321	\$518,238	\$379,455	\$21,706,636	\$6,831,204
2014	\$5,008,869	\$2,341,142	\$4,195,278	\$1,711,379	\$657,073	-\$386,999	\$22,088,011	\$19,588,095
2013	\$4,843,607	\$1,749,036	\$4,155,693	\$1,582,325	\$616,972	\$369,159	\$19,110,336	\$5,984,652
2012	\$4,705,093	\$1,654,603	\$3,985,254	\$1,595,404	\$540,791	\$448,062	\$21,105,291	\$4,072,000
2011	\$4,724,758	\$1,700,321	\$4,517,815	\$1,518,654	\$426,542	\$365,053	\$11,803,992	\$4,924,362
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		\$3,074,837		\$410,437		\$14,692,011	
	\$3,913,123		\$3,138,235			\$29,712,312		
2003	\$2,858,343		\$2,309,384		\$387,472		\$13,393,275	
	\$3,163,769		\$2,325,692			\$26,681,537		
2002	\$3,059,008		\$2,081,110		\$50,575		\$11,922,336	
	\$3,228,695		\$2,098,601			\$16,294,620		
2001	\$2,450,513		\$1,843,987		\$166,457		\$11,682,638	
	\$2,644,393		\$2,120,411			\$14,858,824		

(Italicised data 2001-2004 includes News Corp) (ASX101-200 not reported until 2011 onwards)



