

# Registrar of Indigenous Corporations



THE TOP JOBS—HOW MUCH ARE THEY WORTH?

NATIONAL NATIVE TITLE CONFERENCE

5 JUNE 2013



Australian Government

Office of the Registrar of Indigenous Corporations

# Top 500 report

- Top 500 report issued in Sept 2012
  - 1<sup>st</sup> time top 20 corps had more self-generated income than government grant income
  - 71.3% of all income generated by corps in NT and WA
  - 96% of top 100 are registered charities but only \$17k generated from philanthropic gifts to top 20
  - women make up 54% of directors
  - 42% of top 500 corps are in the health & community services sector

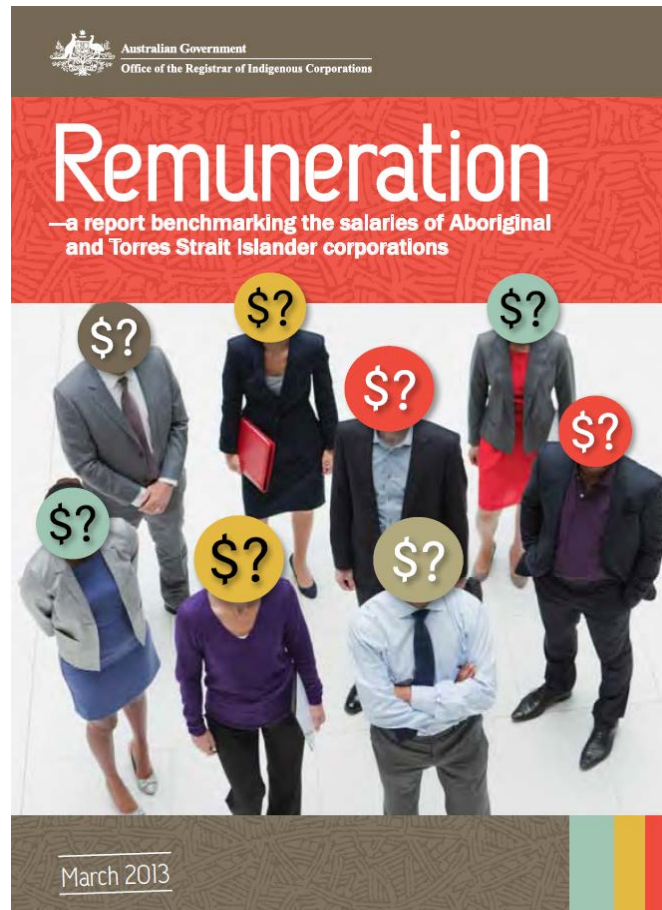


# RNTBCs

- 105 RNTBCs currently registered
- total income last financial year = \$80m
- highest income = \$46.8m Highest assets = \$79m
- average income = \$762k (\$170k if top 3 excluded)
- average no. of employees = 1.2 employees
- most are tax exempt; as a result RNTBCs reported only liable to pay \$49,692 in tax



# Remuneration report, March 2013



# Remuneration report—background

- sent notice to the **372** top earning corporations (corporations with an income of **>\$500,000**)
- corporations asked to provide information on **remuneration, bonuses and other benefits** paid to directors, CEOs and staff
- **336 responses** received (90% response)



# Key findings

- average income of CEOs of Aboriginal and Torres Strait Islander corporations was \$122k in the last financial year
- significantly lower than the average in the broader not-for-profit sector
- no systemic problems
- Registrar has taken action where spikes identified
- more guidance and assistance required on how to set remuneration



## DIRECTORS—remuneration

- 
- **34.5%** of corporations paid remuneration to one or more director(s) in 2011 and **36.4%** in 2012
  - highest aggregated remuneration paid by a corporation to its directors was:
    - **\$1.06m** in 2011
    - **\$1.18m** in 2012
  - Highest paid to a single director was:
    - **\$125,758** in 2011
    - **\$142,940** in 2012 (most were paid under \$10,000)



## **DIRECTORS—loans**



- **7.8%** of corporations gave loans to one or more director(s) in 2011 and **8.1%** in 2012
- highest aggregated loans paid by a corporation to its directors was:
  - **\$77,618** in 2011
  - **\$96,810** in 2012
- Highest paid to a single director was:
  - **\$50,000** in 2011
  - **\$67,930** in 2012 (most were under \$5,000)





# DIRECTORS—travel and other expenses

- 47.4% of corporations paid T/A or other expenses to one or more directors in 2011 and 50% in 2012
- highest aggregated T/A + expenses paid by a corporation to its directors was:
  - \$446,896 in 2011
  - \$249,052 in 2012
- Highest paid to a single director was:
  - \$46,377 in 2011
  - \$65,465 in 2012



# CEO—remuneration (highest, lowest, average)

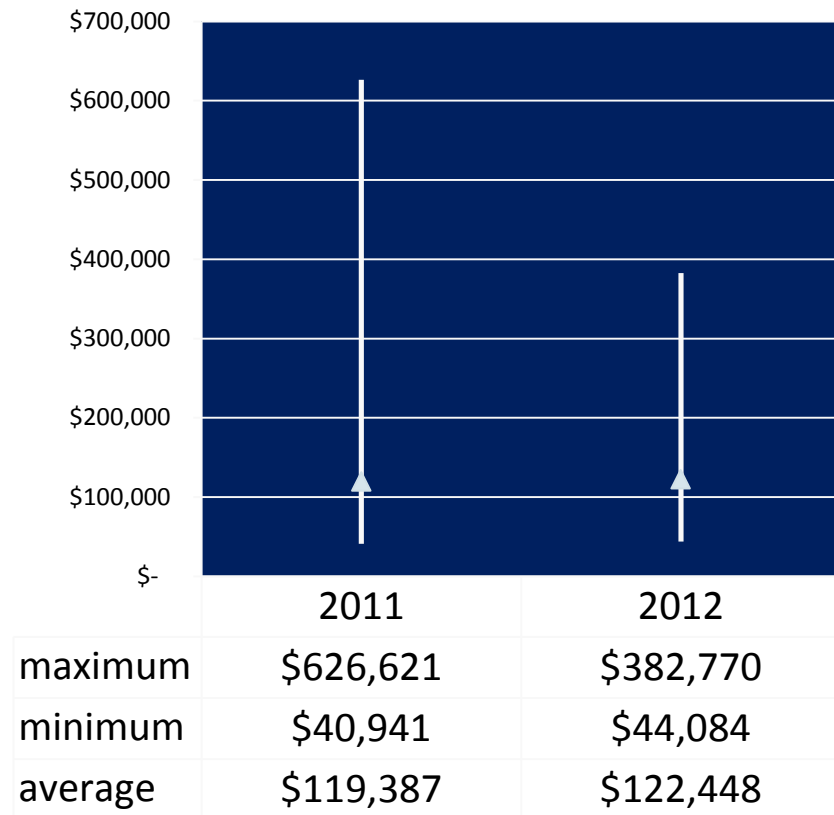


Average remuneration:

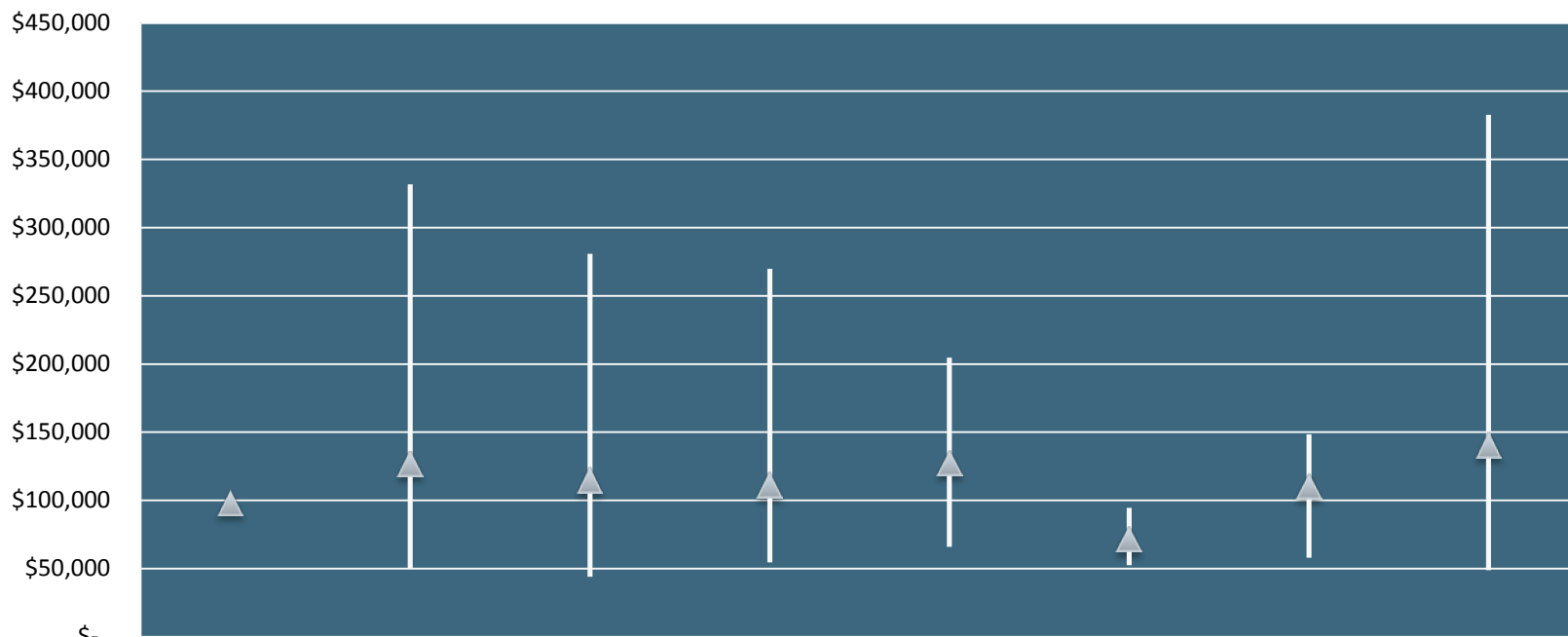
- **\$119,387** in 2011
- **\$122,448** in 2012)

Considerable range, especially for 2011 (see chart)

Highest, lowest and average CEO remuneration



# CEO—remuneration range per state/territory (2012)

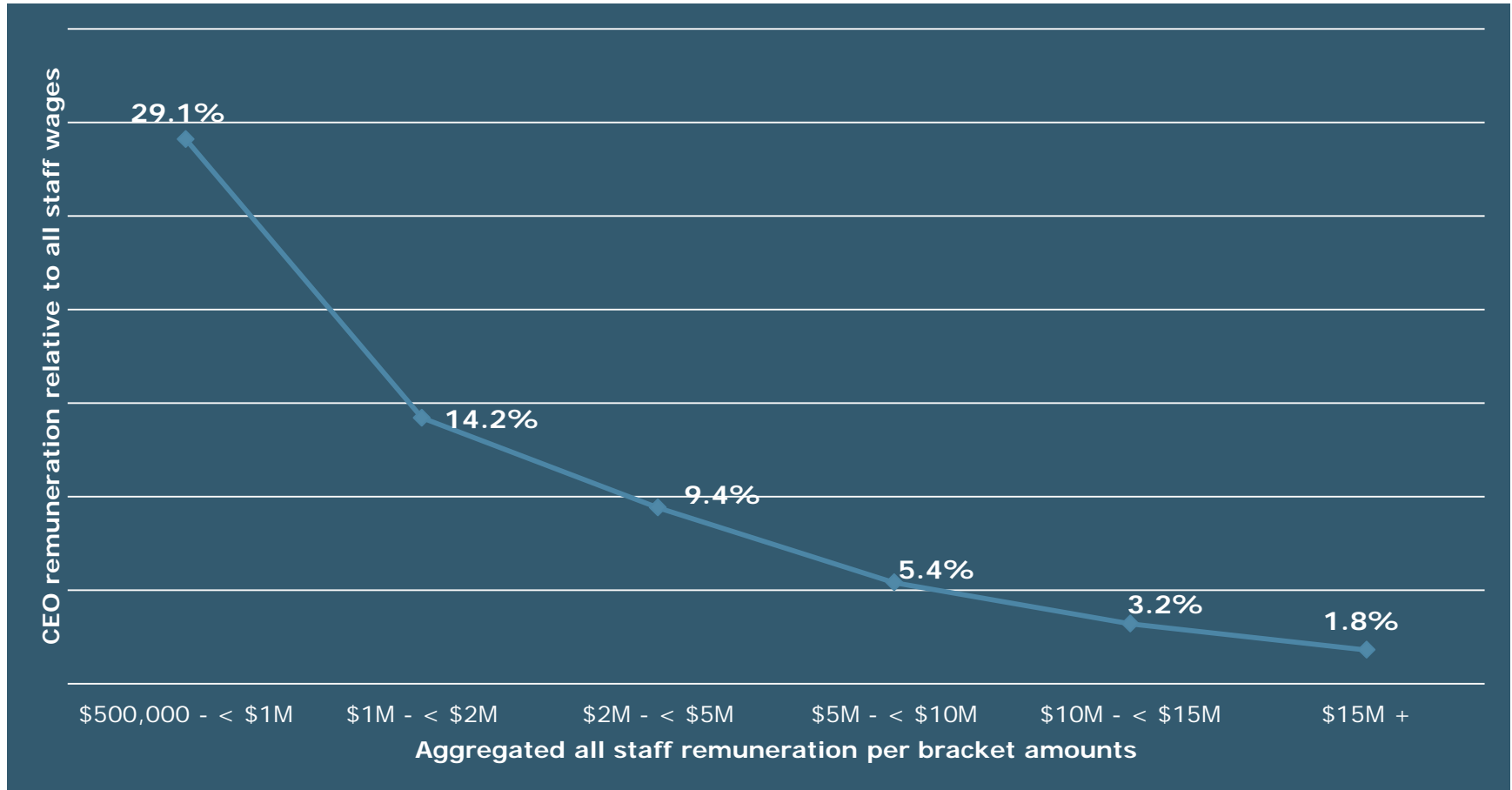


	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
highest	\$97,922	\$331,801	\$280,719	\$269,887	\$204,691	\$94,500	\$148,403	\$382,770
lowest	\$97,922	\$49,889	\$44,084	\$54,607	\$66,037	\$52,587	\$58,088	\$48,830
▲ average	\$97,922	\$126,641	\$114,737	\$111,151	\$127,429	\$71,283	\$110,234	\$140,405

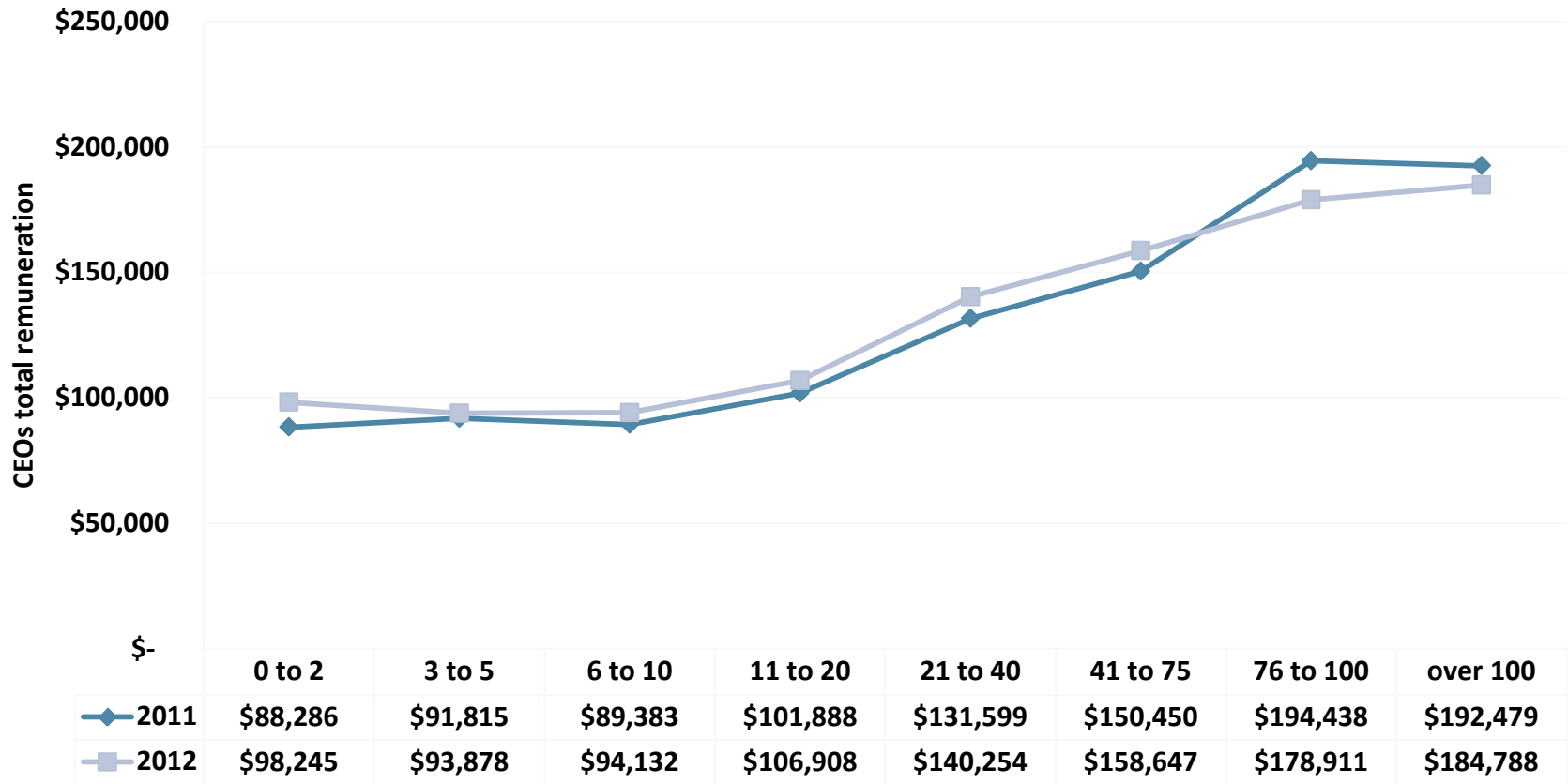
highest lowest ▲ average



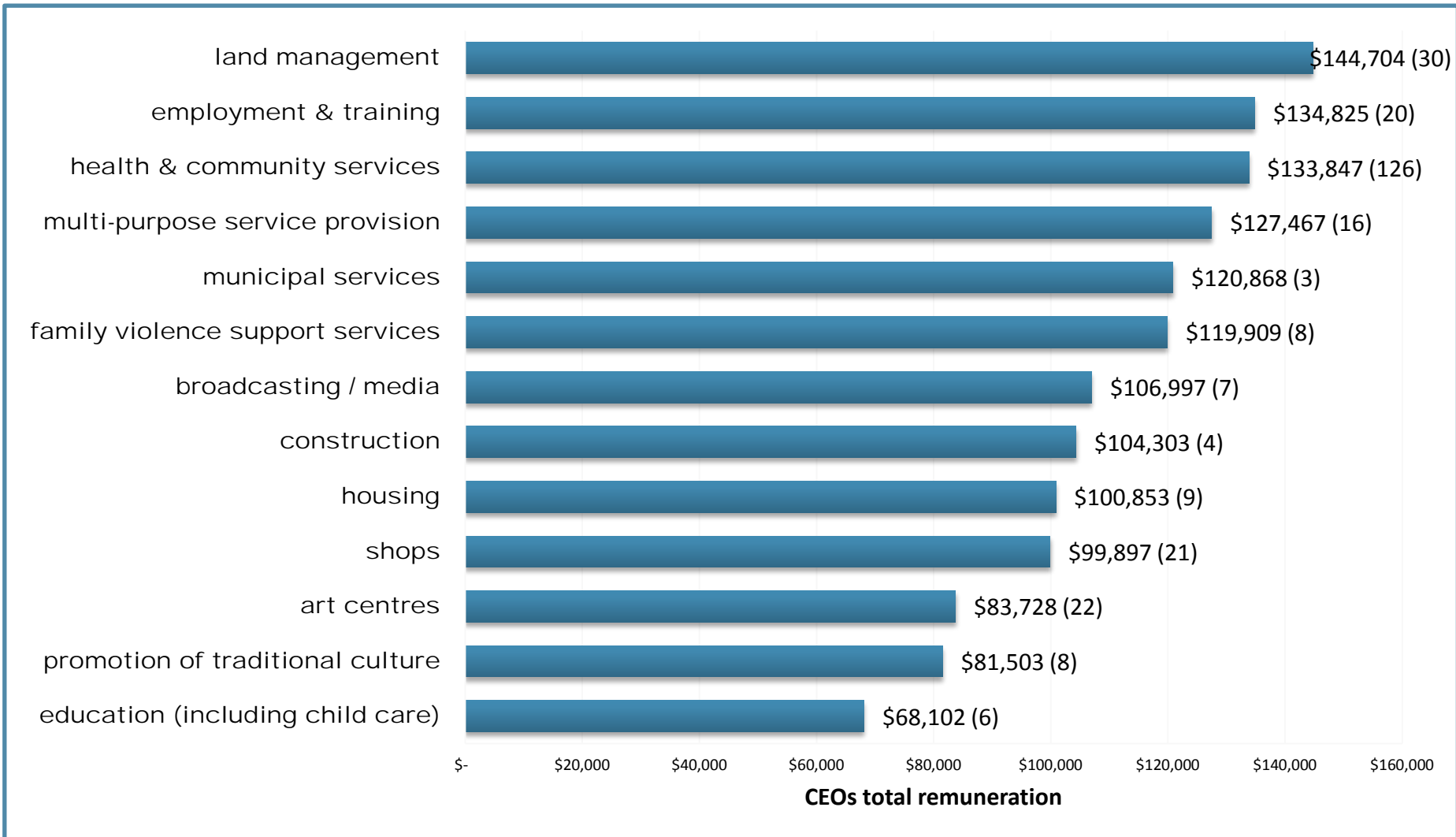
# CEO—remuneration relative to combined staff wages, 2012



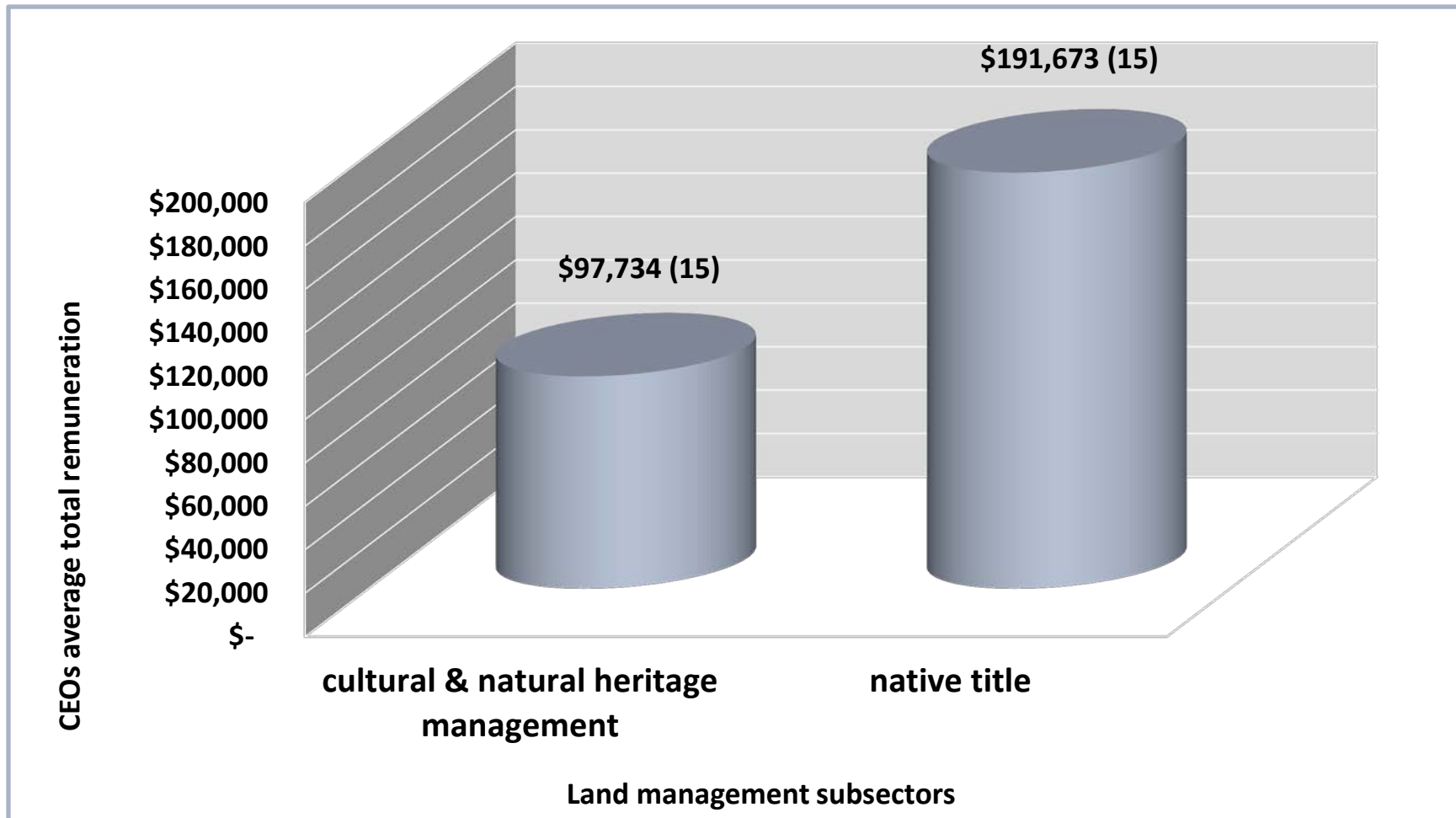
# CEO—remuneration relative to number of employees (2012)



# CEO—remuneration relative to sector (2012)



# CEO—remuneration, land management subsectors (2012)



# CEO—bonuses

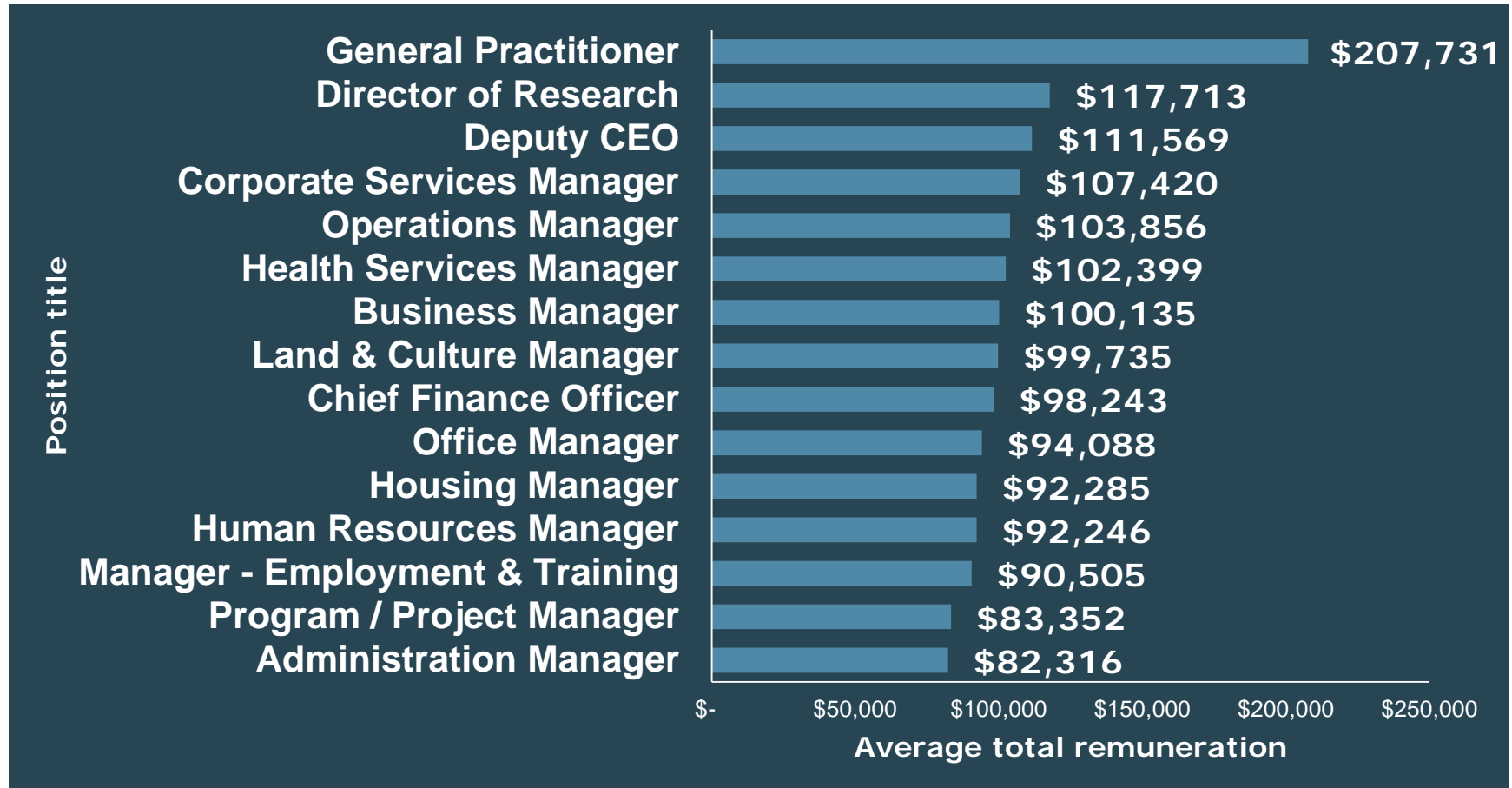


- ❁ **12%** of CEOs received a bonus in 2011 and **10.6%** in 2012
- ❁ Average bonus awarded to CEOs was:
  - **\$21,460** in 2011
  - **\$19,302** in 2012
- ❁ Highest bonus paid to a CEO was:
  - **\$202,312** in 2011
  - **\$113,300** in 2012 (most bonuses were **under \$15,000**)






# Senior staff (other than CEO)—remuneration



# All staff except CEO—bonuses paid

- 
- ❖ 6.5% of staff received bonuses in 2011 and 5.7% in 2012
  - ❖ Aggregated amount of bonuses paid to staff:
    - \$626,702 in 2011
    - \$546,254 in 2012
  - ❖ Highest paid to a single staff member was:
    - \$39,721 in 2011
    - \$84,862 in 2012 (most were paid **under \$5,000**)
  - ❖ Average size of a bonus paid to staff:
    - \$4,692 in 2011
    - \$4,515 in 2012



## Directors and staff—**termination benefits**

- 
- Number of corporations that paid termination benefits:
    - 27 (**8%**) in 2011
    - 45 (**13.4%**) in 2012
  - Highest benefit paid to an individual was:
    - **\$91,350** in 2011
    - **\$135,958** in 2012
  - Average termination benefit paid was:
    - **\$11,742** in 2011
    - **\$12,937** in 2012 (most payments were under \$8,000)



# Remuneration policies—**directors' sitting fees**

- ❁ **54.6%** of corporations indicated their **policies do not allow the payment of sitting fees** to directors
- ❁ In most cases **directors recommend** to their board the **payment of sitting fees** and the amount.
- ❁ The **decision** to approve the payment of sitting fees will usually be **left to the board** of directors.
- ❁ In some instances this decision is put to members to decide or make a recommendation to the board.



# Remuneration policies—**payment of bonuses to directors**



- ❖ of the 323 corporations that provided information on directors' bonuses, only **five said bonuses were paid** to directors
- ❖ four said the **board approves** the payment
- ❖ one said the decision is put to members for endorsement



# Remuneration policies—**setting CEO and other staff remuneration**



- **CEO remuneration**—most common approach was to rely on advice obtained from professionals:
  - HR specialists (x**62** corporations)
  - business advisors (x**12**)
  - external consultants (x**15**)
  - Industry peak bodies.
  
- **Remuneration for other employees**—most common approach was to rely on relevant industry awards.



# Remuneration policies—approving CEO and other staff remuneration

- Who has authority for setting and approving remuneration?
  - **CEO**—in 98.8% of cases board of directors set and review the remuneration level of their CEO
  - **Other staff:**
    - in 68.8% of cases the CEO sets and approves the remuneration of other staff
    - when the CEO is not involved, the decision may rest with the board (particularly for other senior positions) or branch managers



# Remuneration policies—**bonus payment to CEO and other staff**



## Who is entitled to a bonus?

- ✦ **Only the CEO: 22 responses**
- ✦ **All employees: 16**
- ✦ **Senior staff only (incl CEO): 6**
- ✦ **Directors: 2**
- ✦ **Staff excluding managers: 1**
- ✦ **Specialist positions: 7**
  - GP: 2
  - Dentist: 1
  - Nurse: 1
  - Aboriginal Health Worker: 1
  - Legal Officer: 1
  - Teacher: 1

