

Australian CEO pay hits record high, boosted by JobKeeper subsidies

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Last month's annual chief executive pay report produced by the Australian Council of Superannuation Investors (ACSI), an advisory firm for the largest companies on the Australian Stock Exchange, revealed a new record amount for the highest-paid CEO.

The ACSI report showed Andrew Barkla of International Development Program Education (IDP), received \$37.7 million in 2019. A company part-owned by Australia's universities, IDP places international students in universities in Australia, Canada, Ireland, New Zealand, United Kingdom and United States.

Barkla's payout, which amounts to \$103,452 a day, or 420 times the official average wage, was awarded after he exercised share options granted to him before the company's public listing in 2015. This beat the previous record set by Domino's Pizza CEO Don Meij, who took home \$36.84 million in 2017.

The amounts paid to the CEOs on the rest of the top 20 list are a no less obscene contrast to the protracted decline in workers' real wages, long before the COVID-19 pandemic struck.

Paul Perreault of Commonwealth Serum Laboratories, in second place, received \$30.5 million. In eighth place, Qantas CEO Alan Joyce took home \$12.2 million, while JS Jacques of Rio Tinto was in tenth place, on \$10.3 million.

The 20th highest paid CEO, Peter Allen of the Scentre group, went home with \$7.4 million. That is still 90 times the average yearly pay of \$84,968, a figure that is itself skewed by soaring executive salaries (the median wage was just \$48,360 in 2017).

ACSI's research partner Ownership Matters published a second report, showing that these same companies have exploited government subsidies schemes, supposedly created to keep businesses afloat throughout the pandemic, to increase CEO pay.

Since March, federal and state governments have allocated more than \$400 billion for business bailout packages and cheap central bank-provided loans, all with the bipartisan backing of both the Liberal-National Coalition and the Labor Party.

The biggest single scheme has been the JobKeeper wage subsidy program, which pays companies up to \$1,500 per fortnight per employee. Far from protecting jobs, as Prime Minister Scott Morrison's government claimed, it has provided a corporate bonanza.

Some 3.5 million workers have barely survived on these payments, which are being slashed from September 28, and many of them will end up jobless. But CEOs have enriched themselves from the scheme, which was always its purpose.

On the back of JobKeeper subsidies, corporate profits have soared as well—up by 15 percent in the June quarter, even as the economy crashed into recession, already throwing more than two million workers into unemployment or under-employment.

The Ownership Matters report, entitled "JobKeeper and Other Government Subsidies," which covers the period from March to July, shows that of 81 publicly-listed companies receiving government subsidies related to COVID-19, 63 received JobKeeper payments. Within that group, 25 have paid upward of \$24 million in executive pay.

The Accent group, a retail chain, received \$21.4 million in JobKeeper payments as well as \$7.6 million in rent waivers. It awarded chief executive Daniel Agostinelli and CFO Matthew Durbin a combined \$1.7 million in bonuses, and increased full-year dividends by 12.5 percent.

Star Entertainment, the operator of Sydney's Star Casino, was the fourth biggest recipient of JobKeeper payments, receiving some \$65 million in total. It paid

\$1.4 million to its five top executives, including \$830,000 to CEO Matt Bekier.

Qube, a company that specialises in industrial logistics, received \$19.4 million in JobKeeper subsidies and paid its five top executives \$2.8 million worth of bonuses, including \$1.2 million to chief executive Maurice James. It also paid \$43.3 million in dividends to its shareholders.

At least another 17 companies paid out 20 percent or more of their subsidies in the form of dividends to shareholders, though the full extent of this is unknown as JobKeeper lacks transparency or public accountability.

A spokesperson for Qube defended the executive payments, saying the company aimed “to appropriately reward and incentivise management to deliver value for its shareholders.”

For appearances sake, some CEOs of the Australian Stock Exchange’s top 300 companies have decided for the coming year to trim their own pay packets, but only by an average of 2 percent. There is a tacit agreement that they will be rewarded when the immediate crisis passes.

For himself, Prime Minister Morrison has refused to reduce his own salary, which stands at more than half a million dollars a year, and has opposed any lowering of other politicians’ remuneration.

The issue of exorbitant CEO pay is not new. However, the latest reports have come amid the worst economic crash and destruction of jobs since the Great Depression of the 1930s.

Labor MP Andrew Leigh made a brief speech on the revelations in parliament on August 31, stating: “If you’re getting taxpayer subsidies, the CEO shouldn’t be getting a bonus.” His speech was retweeted more than 3,000 times, with some describing the situation as “astonishing,” “disgraceful” or “disgusting.”

But Leigh’s speech was steeped in hypocrisy, as Labor voted for all the business bailout measures, including JobKeeper. Nor did he or Labor make any proposal to take back the money and redirect it to healthcare, aged care, housing or education.

Interviewed by the *New Daily*, Leigh only called on companies to “act in the interests of the whole community, not just their shareholders and managers.” Naturally, no company responded to his call. To do so would violate the entire purpose of big business on a

global scale—the generation of private profit and wealth.

Leigh’s main concern, on behalf of his party, was the discontent brewing in the working class. “Paying bonuses while taking subsidies risks bringing corporate Australia into disrepute,” he said.



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