

Polling - CEO salaries

May 2018

Key Results

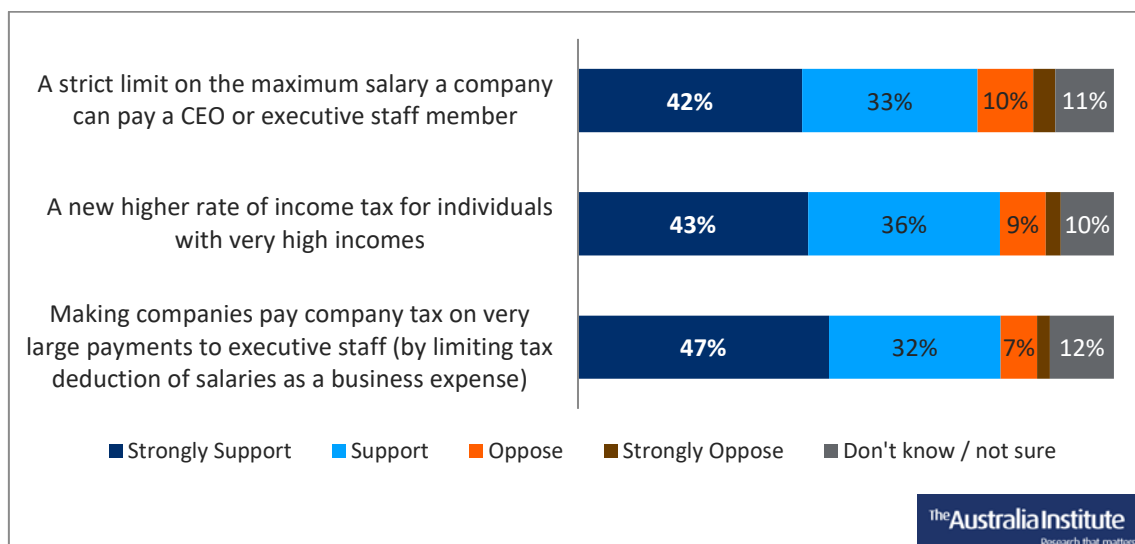
Recent research by The Australia Institute showed that, ten years on from the GFC, CEO salaries remain excessive and those for bank CEOs have almost returned to pre-GFC levels (relative to average earnings).¹ That research paper also discussed proposals for limiting CEO pay. Subsequently, The Australia Institute surveyed 1,557 Australians about CEO and executive salaries in Australia, and proposals to limit them.

Respondents were first asked if they thought CEOs in Australia, for what they do and their work responsibilities, are paid too little, too much or about the right amount.

- Four in five (80%) said they are paid too much.
- Only 9% said they are paid the right amount, and 2% said they are paid too little.

Respondents were then presented (in randomised order) with three key proposals to limit executive salaries. As shown in Figure 1, there was very strong support for each.

Figure 1 – Support for proposals on very high executive salaries

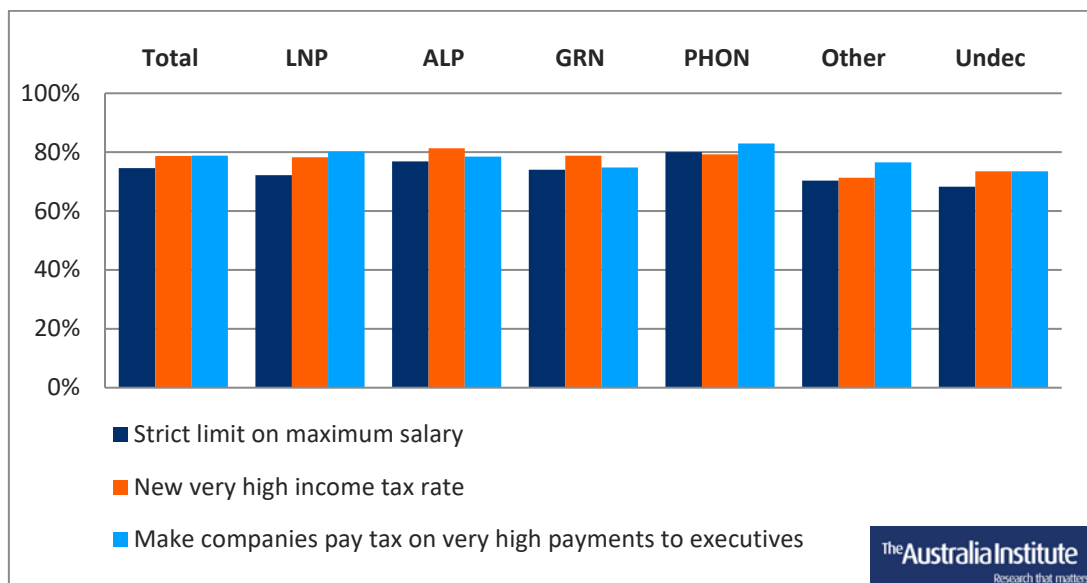


¹ Richardson (2018) *GFC+10: Executive Pay in Australia*, p 22-23, <http://www.tai.org.au/sites/default/files/P494%20GFC%2B10%20Executive%20pay%20FINAL%20w%20cover.pdf>

- 75% supported a strict limit on how much a company can pay a CEO or executive staff member, with 42% strongly supporting.
- 79% supported a new higher rate of income tax for individuals with very high incomes, with 43% strongly supporting.
- 79% supported making companies pay company tax on very large payments to executive staff (by limiting tax deductibility as a business expense), with 47% strongly supporting.

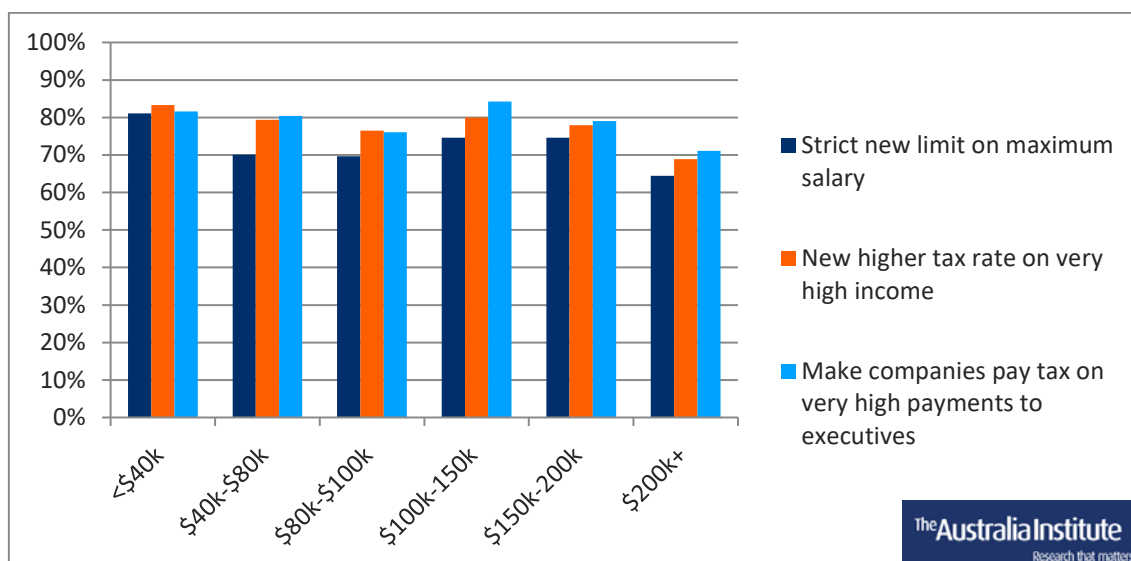
Among voters for all parties, there was at least 68% support for each option.

Figure 2 – Support for proposals on very high executive salaries, by voting intention



Support for each measure was high across household incomes, although a little higher amongst those living in lower income households, and those in households with income between \$100,000 and \$200,000.

Figure 3 – Support for proposals on high executive salaries, by household income



Respondents were finally asked about what they considered a ‘reasonable’ salary for a CEO in Australia. Note this did not ask about limits to impose on salaries. Rather, the results allow comparison of community expectations and current CEO salaries.

- Most (56%) selected a ‘reasonable’ salary of \$720,000 a year or less.
- 73% selected \$1.8m or less a year, and 80% selected no more than \$5.4m a year.
- Only 6% said they “don’t care what CEOs get paid” and 12% said they did not know or were not sure.

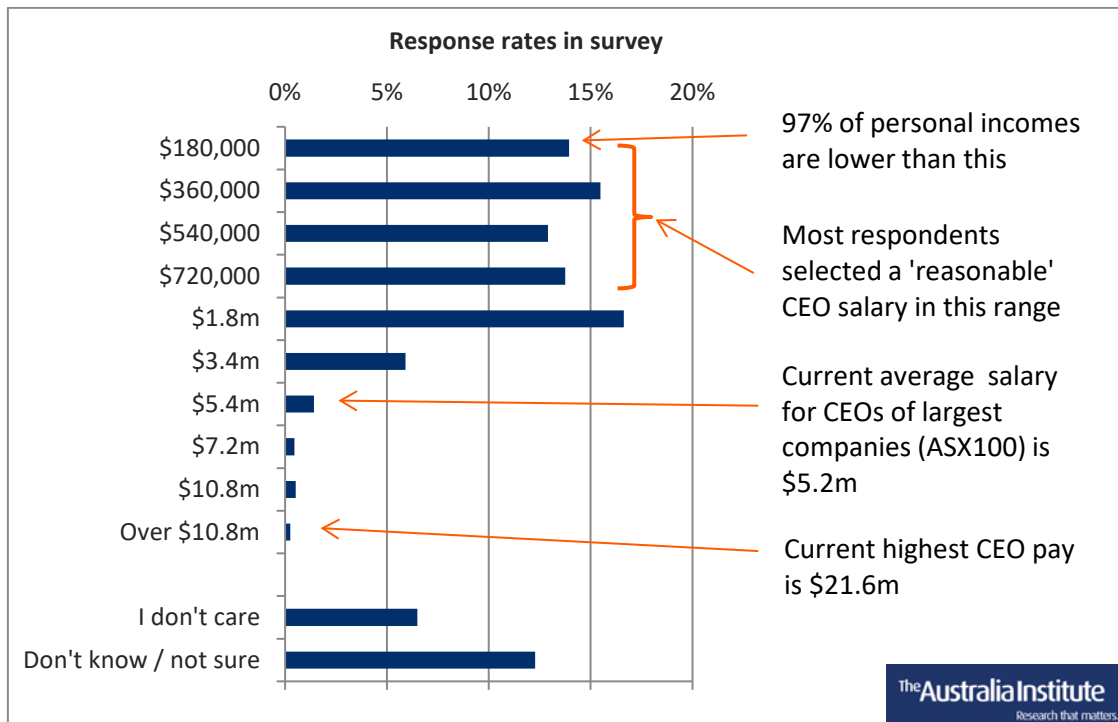
For comparison:

- 97% of income earners are on \$180,000 a year or less (as of 2014-15 data – this is the threshold for the highest tax rate);²
- the CEOs of ASX 100 companies were paid on average \$5.2 million in 2017, and
- the highest paid CEO in Australia was on \$21.6m.³

² ATO (2018) *Taxation statistics 2014-15*, Individuals, Chart 9, <https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics-2014-15/?anchor=Individuals#IndividualsSummarytables>

³ Richardson (2018) *GFC+10: Executive Pay in Australia*

Figure 4 – What is a reasonable salary for an Australian CEO?



Note: CEO pay figures are for 2017. Tax figure is 2014-15.

Sources: The Australia Institute National Poll April 2018, Richardson (2018) *GFC+10: Executive Pay in Australia*. ATO (2018) *Taxation statistics 2014-15, Individuals, Chart 9*

Method

The Australia Institute conducted a national survey of 1,557 people between 27 March and 7 April 2018 online through Research Now with nationally representative samples by gender, age and state and territory.

Results are shown only for larger states.

Voting crosstabs show voting intentions for the lower house. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs, but results are also shown separately for undecideds. "LNP" includes separate responses for Liberal and National. "Other" includes Nick Xenophon Team and Independent/Other.

Detailed results

These questions are about Australian CEOs.

For what they do and their work responsibilities, do you think the CEOs of Australia's large corporations are paid

	Total	Male	Female	NSW	Qld	VIC	WA
Too little	2%	4%	1%	3%	3%	2%	1%
Too much	80%	78%	83%	78%	83%	80%	75%
About the right amount	9%	12%	7%	10%	8%	9%	13%
Don't know / not sure	8%	7%	9%	9%	6%	8%	11%

	Total	LNP	ALP	GRN	PHON	Other	Undec
Too little	2%	2%	4%	5%	0%	1%	1%
Too much	80%	79%	81%	81%	88%	76%	75%
About the right amount	9%	12%	8%	4%	6%	10%	10%
Don't know / not sure	8%	7%	8%	10%	6%	14%	14%

	<\$40k	\$40k- \$80k	\$80k- \$100k	\$100k- 150k	\$150k- 200k	\$200k+	Not sure/ not say
Too little	2%	1%	4%	3%	2%	4%	1%
Too much	84%	83%	78%	80%	83%	78%	72%
About the right amount	5%	12%	12%	12%	13%	9%	6%
Don't know / not sure	9%	4%	6%	5%	2%	9%	21%

To what degree do you support or oppose the following proposals?

(Presented in randomised order)

A strict limit on the maximum salary a company can pay a CEO or executive staff member

	Total	Male	Female	NSW	Qld	VIC	WA
Total agree	75%	72%	77%	73%	79%	73%	73%
Total disagree	15%	17%	12%	13%	13%	17%	15%
Strongly Support	42%	40%	43%	42%	46%	38%	37%
Support	33%	31%	34%	31%	33%	35%	36%
Oppose	10%	12%	9%	8%	11%	12%	11%
Strongly Oppose	4%	5%	3%	5%	2%	5%	3%
Don't know / not sure	11%	11%	11%	14%	8%	10%	13%

	Total	LNP	ALP	GRN	PHON	Other	Undec
Total agree	75%	72%	77%	74%	80%	70%	68%
Total disagree	15%	18%	12%	14%	13%	14%	15%
Strongly Support	42%	38%	45%	40%	49%	37%	34%
Support	33%	34%	32%	34%	31%	33%	34%
Oppose	10%	11%	10%	11%	11%	8%	11%
Strongly Oppose	4%	7%	2%	2%	2%	5%	4%
Don't know / not sure	11%	9%	11%	12%	7%	16%	17%

	<\$40k	\$40k- \$80k	\$80k- \$100k	\$100k- 150k	\$150k- 200k	\$200k+	Not sure/ not say
Total agree	81%	70%	70%	75%	72%	64%	69%
Total disagree	10%	21%	18%	16%	20%	20%	10%
Strongly Support	49%	43%	38%	37%	37%	33%	38%
Support	32%	27%	32%	37%	35%	31%	31%
Oppose	7%	17%	13%	10%	19%	9%	7%
Strongly Oppose	4%	3%	5%	6%	1%	11%	3%
Don't know / not sure	8%	9%	13%	9%	8%	16%	21%

A new higher rate of income tax for individuals with very high incomes

	Total	Male	Female	NSW	Qld	VIC	WA
Total agree	79%	80%	78%	79%	78%	81%	71%
Total disagree	11%	11%	12%	10%	14%	9%	16%
Strongly Support	43%	44%	42%	43%	43%	47%	31%
Support	36%	36%	36%	37%	35%	34%	40%
Oppose	9%	8%	9%	8%	11%	7%	12%
Strongly Oppose	3%	3%	3%	2%	3%	3%	4%
Don't know / not sure	10%	9%	11%	10%	8%	9%	13%

	Total	LNP	ALP	GRN	PHON	Other	Undec
Total agree	79%	78%	81%	79%	79%	71%	74%
Total disagree	11%	14%	9%	11%	11%	12%	11%
Strongly Support	43%	38%	47%	41%	49%	41%	37%
Support	36%	40%	34%	38%	30%	31%	36%
Oppose	9%	11%	7%	9%	9%	8%	8%
Strongly Oppose	3%	4%	2%	2%	2%	4%	3%
Don't know / not sure	10%	7%	10%	11%	10%	17%	16%

	<\$40k	\$40k- \$80k	\$80k- \$100k	\$100k- 150k	\$150k- 200k	\$200k+	Not sure/ not say
Total agree	83%	79%	76%	80%	78%	69%	69%
Total disagree	7%	14%	14%	13%	16%	22%	9%
Strongly Support	49%	45%	42%	40%	47%	33%	36%
Support	34%	34%	35%	40%	31%	36%	33%
Oppose	6%	11%	10%	10%	13%	7%	7%
Strongly Oppose	1%	3%	5%	2%	3%	16%	2%
Don't know / not sure	10%	7%	9%	7%	6%	9%	22%

Making companies pay company tax on very large payments to executive staff (by limiting tax deduction of salaries as a business expense)

	Total	Male	Female	NSW	Qld	VIC	WA
Total agree	79%	79%	79%	76%	81%	80%	78%
Total disagree	9%	10%	8%	9%	9%	8%	11%
Strongly Support	47%	47%	47%	46%	48%	45%	45%
Support	32%	32%	32%	30%	33%	35%	32%
Oppose	7%	8%	5%	7%	6%	6%	8%
Strongly Oppose	2%	2%	3%	3%	3%	2%	3%
Don't know / not sure	12%	11%	13%	14%	10%	12%	11%

	Total	LNP	ALP	GRN	PHON	Other	Undec
Total agree	79%	80%	79%	75%	83%	77%	74%
Total disagree	9%	10%	9%	8%	8%	9%	8%
Strongly Support	47%	45%	49%	46%	54%	42%	39%
Support	32%	36%	30%	28%	29%	34%	34%
Oppose	7%	7%	7%	8%	4%	7%	6%
Strongly Oppose	2%	3%	2%	0%	4%	2%	2%
Don't know / not sure	12%	10%	13%	17%	9%	15%	18%

	<\$40k	\$40k- \$80k	\$80k- \$100k	\$100k- 150k	\$150k- 200k	\$200k+	Not sure/ not say
Total agree	82%	80%	76%	84%	79%	71%	66%
Total disagree	6%	11%	12%	8%	12%	20%	9%
Strongly Support	53%	50%	42%	45%	52%	47%	35%
Support	29%	30%	34%	40%	27%	24%	31%
Oppose	5%	9%	9%	5%	12%	9%	7%
Strongly Oppose	1%	3%	3%	3%	0%	11%	1%
Don't know / not sure	13%	8%	12%	8%	9%	9%	25%

What do you think is a reasonable salary for a CEO at a large corporation in Australia?

	Total	Male	Female	NSW	Qld	VIC	WA
\$720,000 a year or less	56%	52%	60%	53%	59%	52%	60%
1.8 million a year or less	73%	72%	73%	70%	77%	72%	70%
5.4 million a year or less	80%	81%	79%	79%	81%	80%	76%
\$180,000 a year	14%	10%	17%	13%	17%	13%	14%
\$360,000 a year	15%	13%	18%	14%	18%	13%	15%
\$540,000 a year	13%	15%	11%	12%	13%	13%	16%
\$720,000 a year	14%	14%	14%	14%	12%	13%	15%
\$1.8 million a year	17%	20%	13%	17%	17%	19%	10%
\$3.4 million a year	6%	7%	4%	7%	4%	7%	4%
\$5.4 million a year	1%	2%	1%	2%	1%	1%	2%
\$7.2 million a year	0%	1%	0%	0%	1%	0%	0%
\$10.8 million a year	1%	1%	0%	1%	1%	0%	0%
Over \$10.8 million	0%	0%	0%	0%	0%	0%	1%
I don't care what CEOs get paid	6%	7%	6%	6%	6%	6%	10%
Don't know / not sure	12%	10%	15%	13%	11%	12%	13%

	Total	LNP	ALP	GRN	PHON	Other	Undec
\$720,000 a year or less	56%	49%	61%	62%	69%	49%	51%
1.8 million a year or less	73%	70%	75%	76%	83%	66%	65%
5.4 million a year or less	80%	81%	81%	80%	85%	71%	72%
\$180,000 a year	14%	9%	16%	14%	26%	11%	14%
\$360,000 a year	15%	12%	17%	20%	21%	14%	16%
\$540,000 a year	13%	14%	13%	11%	15%	11%	12%
\$720,000 a year	14%	13%	15%	18%	7%	13%	9%
\$1.8 million a year	17%	21%	14%	14%	14%	17%	14%
\$3.4 million a year	6%	9%	5%	5%	1%	4%	5%
\$5.4 million a year	1%	3%	1%	0%	1%	2%	2%
\$7.2 million a year	0%	0%	1%	0%	0%	1%	0%
\$10.8 million a year	1%	1%	0%	1%	0%	1%	1%
Over \$10.8 million	0%	1%	0%	0%	1%	0%	0%
I don't care what CEOs get paid	6%	7%	5%	8%	5%	7%	7%
Don't know / not sure	12%	9%	13%	11%	9%	20%	20%

	<\$40k	\$40k- \$80k	\$80k- \$100k	\$100k- 150k	\$150k- 200k	\$200k+	Not sure/ not say
\$720,000 a year or less	63%	62%	58%	54%	51%	27%	41%
1.8 million a year or less	77%	77%	75%	77%	77%	51%	54%
5.4 million a year or less	81%	86%	84%	85%	87%	71%	59%
\$180,000 a year	18%	17%	12%	9%	10%	7%	8%
\$360,000 a year	16%	16%	17%	14%	19%	2%	14%
\$540,000 a year	14%	14%	14%	17%	10%	0%	10%
\$720,000 a year	15%	15%	14%	13%	12%	18%	8%
\$1.8 million a year	13%	15%	17%	23%	26%	24%	13%
\$3.4 million a year	3%	9%	8%	6%	9%	16%	5%
\$5.4 million a year	1%	1%	1%	2%	1%	4%	1%
\$7.2 million a year	0%	0%	1%	0%	0%	4%	0%
\$10.8 million a year	1%	0%	0%	1%	1%	2%	0%
Over \$10.8 million	1%	0%	0%	0%	0%	2%	0%
I don't care what CEOs get paid	6%	3%	4%	6%	6%	13%	12%
Don't know / not sure	13%	11%	10%	8%	6%	7%	29%