

## *2010–2011 HSE Remuneration Survey*

*Conducted by SafeSearch in conjunction with EnviroSearchGlobal*

### *Key Findings and Observations*

**The key findings from the 2010/2011 report include the following:**

#### **Return to growth and confidence**

Salaries have risen consistently across the Safety and Environmental positions surveyed reflecting increased business confidence post the Global Financial Crisis. This is significant in comparison with the survey results from last when senior positions in particular experienced a significant decrease in remuneration.

#### Safety

Whereas in 2008/9 GMs HSE earned an average Total Actual Remuneration (TAR) of \$221,509 this year has seen a rise to \$271,310.

Last year the Total Actual Remuneration in the top quartile was \$247,350 whereas this year it is \$312,198, falling just short of the TAR of \$323,075 in the 2008/2009 survey.

National Managers also enjoyed an increase to their average actual packages to \$174,474. At the Manager level there was an average increase of 9% from last year, though there was only a very small and modest increase at the Co-ordinator/Advisor level.

#### Environment

Environment Advisors are the only positions that have not had a significant upswing in salary in this year's survey with salaries remaining in the mid-90's which is consistent with last year's findings. Environment Managers have experienced a considerable increase in their Total Average Remuneration (TAR) of 28% which brings them up to 9% ahead of where they were before the GFC. Environment Managers can expect an average TAR of \$144,658 depending on the industry and location.

National Environment Manager's TAR has also increased significantly to \$192,640. This is up 21% from last year, largely due to a higher percentage of STIs being paid this past year.

Heads of Environment and Sustainability have experienced the greatest increase in remuneration. There has been a great deal of movement in the senior roles within a number of sectors, for example property and mining, with individuals being able to command higher salaries due to demand for specific skills and experience.

#### **Environment and Sustainability positions overtake Safety**

For the first time in the 5 years of conducting the survey, packages for the top roles in environment and sustainability have overtaken pure safety or combined HSE roles. Interestingly there are fewer environment and sustainability positions and they are only offered by the larger organizations. However those that follow their convictions and opt for true specialist roles are now being rewarded handsomely.

The survey reflects the average actual remuneration package for Heads of Environment has leapt up to \$289K from a very modest \$194K in the last survey. The average increase across all environmental roles is an astonishing 25% since the last survey versus \$271k for Heads of Safety/HSE, who experienced an average increase of 9.6%. It should be noted that a large component of the environmental increase is related to the "at risk" component now being paid. This gives organizations the opportunity to quickly peg back these packages if times get tough.

#### **Incentives back on the radar**

A return to business confidence and competitive remuneration packages is also reflected by the increasing number of incentives incorporated, and paid, as part of a package. Whereas last year saw 5% of the sample at Officer level eligible for an incentive, this rose significantly this year to 77%, though interestingly incentives paid were slightly down (from an average \$3,511 last year to \$2,274 this year).

At the Senior Manager level there has been an increase in the percentage of those eligible for short term incentives. The trend has continued with 59% of National Managers and 76% General Managers also being eligible. At the GM level, both actual and targeted STI's have increased. Of the 76% eligible for an STI, the average actual STI rose 15% with the upper quartile rising over 84%. The average targeted STI rose 22% with the upper quartile up 39%.

Within environment senior positions National Managers have the highest eligibility with 82% of the sample having an STI as part of their package and of those eligible 92% received payment. All Heads of Environment and Sustainability that were eligible for an STI received bonus which is a contributing factor in the average STI payments increasing from \$15,432 last year to \$45,935 in this years survey.

## **Traditional Geographical variations impacted**

This year the highest packages in safety saw NSW take the lead in the Officer level, SA take the lead at the Advisor/Co-ordinator level, Qld at the Manager level, Qld again at the National Manager level and WA at the GM level. The highest salaries in environment are being paid in SA for Advisors and in WA and QLD for Managers which is being driven by demand for environmental skills in the resources sector.

This demonstrates and confirms our observation that in all locations there is an increased awareness and willingness from organisations to tailor packages according to the demand for people at a particular geographical location and level. No longer is there such a blanket "remuneration policy" that is rigorously applied across the country. This is a crucial strategy in order to attract and retain talent and we believe it is a trend we will be seeing increasingly.

For instance, across both safety and environment we have seen SA compete fiercely for more junior people for many remote location projects and the resource and construction projects in Qld have certainly attracted competition to draw people to that state. WA increasingly are basing their most senior people in that state to ensure they are closer to the mining/oil and gas projects in their portfolios while NSW as the most popular head office for many companies continues to pay a premium due to the cost of living and to compensate for longer travelling time to get to work in Sydney.

## **Industry sector highlights**

For every position analysed, across both safety and environment, the mining/construction/resources sector clearly remunerates well beyond the other sectors. The gaps are often significant, for instance at the Manager level in safety there is a \$35K differential between the actual average remuneration paid to that sector and the next sector of professional /consulting/retail services.

## **Qualifications a priority**

The survey results are consistent with last year's findings in that demand for higher formal qualifications continues at all levels and across all positions in both safety and environment. As with previous surveys the environmental professionals continue to be highly educated at every level with a minimum of 85% of the sample qualified to degree level or higher.

For safety professionals, at the Officer level, 55% of respondents have a minimum of Diploma level qualification, continuing the year on year upward trend. At the Co-ordinator level those with a minimum degree level qualification has risen from 35% last year to 56% in this survey while at the Manager and National Manager levels there is a trend towards Graduate Diploma and Masters level qualifications.

This reinforces our observation that particularly larger organisations are now seeking evidence of a disciplined and informed approach to safety. This has traditionally been a fundamental requirement for environmental roles. Safety professionals increasingly need to be more informed and able to demonstrate they can draw on theory underpinning their approach, in conjunction with the ability to engage and use a practical approach. Clearly there is a message here for our Universities and educators, many of whom still do not include relevant undergraduate health and safety courses on their core curriculum.